

By Mr. JOHNSON of Illinois:

H. R. 10533. A bill for the relief of Manuel G. Rambo; to the Committee on Military Affairs.

By Mr. McLAUGHLIN:

H. R. 10534. A bill for the relief of Joseph Pollack; to the Committee on Claims.

By Mr. PETERSON of Georgia:

H. R. 10535. A bill for the relief of Annie E. Griffith; to the Committee on Claims.

H. R. 10536. A bill for the relief of Wallace L. Edenfield; to the Committee on Claims.

By Mr. RISK:

H. R. 10537. A bill for the relief of George Washington Webster; to the Committee on Naval Affairs.

By Mr. SCHAFER of Wisconsin:

H. R. 10538. A bill granting a pension to Anna Maria Amberg; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9303. By the SPEAKER: Petition of F. J. Safley, J. A. Bell, and James W. Reagan, of San Gabriel, Calif., petitioning consideration of their resolution with reference to flood control, United States Army engineers' projects; to the Committee on Flood Control.

9304. Also, petition of the United Automobile Workers of America, Hudson Local 154, Detroit, Mich., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

SENATE

FRIDAY, SEPTEMBER 20, 1940

(Legislative day of Wednesday, September 18, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

God of all wisdom, who knowest our necessities before we ask and art always more ready to give than we are to receive: Forgive, we beseech Thee, our pitiful worship and the poverty of our prayers. Make us to worship Thee in the depths of our spirit and in truth. Harken not to our petitions but to the crying of our need for clean hands, pure hearts, and the forgiveness of our sins. We ask for no far-off vision which may obscure the nearer duty, for no enchantment which may slacken our hands or enfeeble our spirits, but for the vision of Thyself in the common things of every day. Remove the suspicion which regards Thy service as an intrusion on our time, an interference with our daily task, and do Thou so fashion our lives that every citizen of our beloved country, from the chiefest to the humblest, shall put character above reputation, virtue above success, and devotion to God above every other loyalty. In our Saviour's name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Thursday, September 19, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Lee	Sheppard
Andrews	Frazier	Lodge	Shipstead
Ashurst	George	McKellar	Smathers
Austin	Gerry	McNary	Stewart
Bailey	Gibson	Maloney	Taft
Barkley	Gillette	Mead	Thomas, Idaho
Bilbo	Glass	Minton	Thomas, Okla.
Brown	Green	Murray	Thomas, Utah
Bulow	Gurney	Neely	Tobey
Burke	Hale	Norris	Tydings
Byrd	Harrison	Nye	Vandenberg
Byrnes	Hatch	O'Mahoney	Van Nuys
Capper	Hayden	Overton	Wagner
Caraway	Herring	Pepper	Walsh
Clark, Idaho	Hill	Pittman	Wheeler
Clark, Mo.	Holt	Radcliffe	White
Connally	Johnson, Calif.	Reed	Wiley
Danaher	Johnson, Colo.	Russell	
Davis	King	Schwartz	
Downey	La Follette	Schwellenbach	

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] is absent because of illness.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Kentucky [Mr. CHANDLER], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Ohio [Mr. DONAHAY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Delaware [Mr. HUGHES], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arkansas [Mr. MILLER], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Illinois [Mr. SLATTERY], the Senator from South Carolina [Mr. SMITH], and the Senator from Missouri [Mr. TRUMAN] are necessarily absent.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Oregon [Mr. HOLMAN], and the Senator from Delaware [Mr. TOWNSEND] are necessarily absent.

The PRESIDENT pro tempore. Seventy-seven Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 1450) to provide funds for cooperation with school district No. 13, Froid, Mont., for extension of public-school buildings to be available to Indian children, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10413) to provide revenue, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. CULLEN, Mr. MCCORMACK, Mr. COOPER, Mr. TREADWAY, Mr. CROWTHER, and Mr. KNOTSON were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H. R. 8369) authorizing a per capita payment of \$10 each to the members of the Red Lake Band of Chippewa Indians from any funds on deposit in the Treasury of the United States to their credit, in which it requested the concurrence of the Senate.

LEAVE PROVISION FOR POSTMASTERS CALLED TO DUTY WITH THE ARMED FORCES

The PRESIDENT pro tempore laid before the Senate a letter from the Postmaster General, transmitting a draft of proposed legislation to amend the act of June 25, 1938, entitled "An act extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes," which, with the accompanying paper, was referred to the Committee on Post Offices and Post Roads.

REPORTS OF COMMITTEES

Mr. TYDINGS, from the Committee on Appropriations, to which was referred the resolution (S. Res. 314) creating a special committee to find ways and means for an automatically balanced Budget, reported it without amendment; and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 4360) to confer jurisdiction upon the United States District Court for the Western District of Kentucky to hear, determine, and render judgment upon the claim of Theodore R. Troendle, sole stockholder of the Dawson Springs Construction Co., reported it without amendment and submitted a report (No. 2145) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 4338) to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended, reported it without amendment and submitted a report (No. 2146) thereon.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on September 19, 1940, that committee presented to the President of the United States the enrolled bill (S. 2991) to authorize the Secretary of the Navy to accept on behalf of the United States certain lands in the city of National City, Calif.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DOWNEY:

S. 4367. A bill for the relief of Kurt Bernhardt; to the Committee on Immigration.

By Mr. SCHWELLENBACH:

S. 4368. A bill to amend section 6 of an act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska; to the Committee on Territories and Insular Affairs.

By Mr. PEPPER:

S. 4369. A bill for the relief of John Eliou; to the Committee on Immigration.

By Mr. SHEPPARD:

S. 4370. A bill authorizing the President to appoint an Under Secretary of War during national emergencies, fixing the compensation of the Under Secretary of War, and authorizing the Secretary of War to prescribe duties; to the Committee on Military Affairs.

UNIFORM DIRECTIONAL MARKERS FOR SAFE AIR TRAVEL

Mr. PEPPER. Mr. President, I ask consent to introduce a joint resolution for appropriate reference. I also request that a statement relative to the matter of uniform directional air land markers for safety in air travel may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The joint resolution (S. J. Res. 300) for the promotion of safety in air travel by the construction of uniform identifying land markers was read twice by its title and referred to the Committee on Commerce.

The statement presented by Mr. PEPPER in connection with the joint resolution is as follows:

UNIFORM DIRECTIONAL AIR MARKERS FOR SAFE AIR TRAVEL

The Aviation Defense Association, of Washington, D. C., announces its immediate campaign to cooperate with the Civil Aeronautics Administration, in a program to arouse Nation-wide interest in safety of air travel.

With thousands of air pilots, instructors, and students almost continually in the air, it is urgently necessary to provide directional land markers throughout the country to make aviation safe. Uniform markers of various sizes will be necessary. In some sections the arrows and names of towns, painted on the roofs of buildings, will guide the pilots and students. In other instances markers may be painted on highways or monuments or may be constructed in open fields or on hillsides.

Already the Civil Aeronautics Administration visualizes over 400 intermediate landing fields and 2,400 actual airports with a potentiality of 3,600. Furthermore there will be many ground and flight schools, with 1,500 air pilots being trained every 4 months, a total of 45,000 during the present year.

The Aviation Defense Association plans to enlist the support of Governors of States, county officials, mayors of cities in this great

undertaking so vital to the safety of air pilots, both military and commercial.

With the proper air markers the hazard of flying will be greatly reduced, and for that reason we call upon not only State officials, but the citizens of the United States, to assist in placing these uniform directional signs in their immediate neighborhood.

The lighting of directional air markers other than those at airports and landing fields which are taken care of, is most desirable. They should be illuminated in accordance with regulations and instructions which we can furnish.

The Civil Aeronautics Administration has located some 2,200 standard beacons in addition to blinkers, and all persons should be informed these air navigation lights must be certified to before being placed.

Last year, our association sponsored and established legislation for the annual celebration of National Aviation Day on August 19, Dr. Orville Wright's birthday, through congressional resolutions introduced by Senator PEPPER, Representative J. H. PETERSON, and other Members of Congress.

This year, as an aid to the establishment of air land markers, Representative J. H. PETERSON, of Florida, and Senator CLAUDE PEPPER, of Florida, have introduced the following joint resolution: "For the promotion of safety in air travel by the construction of uniform identifying land markers

"Whereas the rapid progress of aviation and its continued growth and importance to commercial interests and to our national defense has increased the necessity for establishing additional safety measures; and

"Whereas the construction of uniform directional identifying landmarks on the tops of structures and on the ground has now become imperative; and

"Whereas it is desired to foster public opinion and sentiment for the construction and maintenance of these identifying landmarks for the convenience and maintenance and safety of commercial, private, military, and naval interests in air travel and 'for youth education in aviation': Therefore, be it

"Resolved, etc., That the Work Projects Administration, Civilian Conservation Corps, and other public organizations are authorized to give their support, insofar as practicable, to the construction of uniform directional identifying landmarks for safety in air travel, on the tops of public or private buildings or lands under the supervision of the Civil Aeronautics Authority of the Department of Commerce. That the Governors of States and Territories be requested to aid in all Federal agencies now engaged in the promotion of safety for air travel."

The Aviation Defense Association asks the people of the United States seriously to urge their Representatives in Congress to support the above resolution so necessary to our national air defense.

THE AVIATION DEFENSE ASSOCIATION, INC., Washington, D. C.

By J. E. MYERS,

Colonel, United States Army, Retired, President.

HOUSE BILL REFERRED

The bill (H. R. 8369) authorizing a per capita payment of \$10 each to the members of the Red Lake Band of Chippewa Indians from any funds on deposit in the Treasury of the United States to their credit was read twice by its title and referred to the Committee on Indian Affairs.

AMENDMENT TO RIVER AND HARBOR DEFENSE IMPROVEMENT BILL—SABINE-NECHES WATERWAY, ORANGE, TEX.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 9972) authorizing the improvement of certain rivers and harbors in the interest of the national defense, and for other purposes, which was ordered to lie on the table and to be printed.

TRANSFER OF MILITARY AND NAVAL EQUIPMENT TO GREAT BRITAIN

Mr. LODGE. Mr. President, I intend to present a resolution to the Senate, which I should like to read—it is very brief—and then take about 3 minutes to explain it.

The resolution is as follows:

Resolved, That the President of the United States, if not incompatible with the public interest, is requested to inform the Senate whether in the negotiations of the arrangement between himself and the Secretary of State, representing the Government of the United States, and the British Ambassador at Washington, representing His Majesty's Government in the United Kingdom, for the acquisition by the United States of naval bases in the Western Hemisphere and the exchange therefor of certain vessels of the United States, said arrangement contemplated further delivery to Great Britain of additional naval and military equipment and material as would appear from the letter of the British Ambassador to the Secretary of State, dated September 2, 1940, wherein it is stated that certain islands in the Caribbean and in British Guiana will be leased to the United States by the British Government "in exchange for naval and military equipment and material which the United States Government will transfer to His Majesty's Government," and whether the reply of the Secretary of State to said letter of the British Ambassador that "the United States Government will immediately transfer to His Majesty's Government 50 United States naval destroyers" meant that additional naval and military equipment and material would follow.

Mr. President, that resolution is identical to one offered in the House by my very able friend, Representative ROGERS of Massachusetts. It simply seeks to ascertain whether it is planned to send any more American weapons or vessels or military or naval equipment abroad. I recognize that two points of view are possible on the question of sending weapons abroad. I happen to be one who has always been opposed to doing that. In my judgment, there is no such thing as a surplus of weapons. There is no such thing, when an emergency is faced, as a weapon that is completely and truly obsolete.

I have had some service in the Army with tanks which are supposed to be obsolete, but the fact of the matter is that even with so-called obsolete tanks young men can learn how to drive and how to make repairs, and they can learn signal communications, tactics, and a great many other things.

I think there is no question that a number of naval reservists will be deprived of training which they otherwise would receive, because so many destroyers have left Boston and have gone abroad.

There may be two opinions on this matter. I happen to think that we ought to defend America first. I cannot, however, conceive how anyone can doubt that a question of such importance, regardless of one's opinion about it, should be submitted to Congress, and should be thoroughly debated and approved by Congress.

It is said, of course, that we were not using the destroyers, that we have not been using the Enfield rifles, and have not been using the 75's. In my view, the whole reason why we have an Army and Navy is so that we shall not have to use them. The reason why I support national defense is because of my belief that if we are sufficiently well armed it may not be necessary for us to use our weapons.

We continually see rumors in the press to the effect that two-thirds or nine-tenths or some huge fraction of our airplane production is going abroad, and that that is the reason why the accretions of airplanes to our Army and Navy are so small. I do not affirm; I do not deny; I do not know what the facts are. But I say we should have the facts. We should know whether or not our Army and Navy are getting up-to-date planes, and if not, what is the reason. If we are to train pilots to fly modern, high-speed planes, we must have modern, high-speed planes in which to train them.

So I submit the resolution to the Senate. It is a counterpart of one which has been submitted in the House. I submit the resolution simply to obtain information, to find out whether or not any further depletion of our one-ocean Navy and our admittedly inadequate Army is contemplated.

No one is more enthusiastically in favor of acquiring naval bases in this hemisphere than am I. In fact, I think the Senator from Oregon [Mr. McNARY] and myself introduced the first piece of legislation in this body on the subject. I think it is still pending. We introduced a measure calling upon the Secretary of State to enter into negotiations to acquire naval bases. No one is more enthusiastically in favor of acquiring naval bases than am I. However, I think the procedure which was used is not in accordance with our theory of government.

Certain issues are raised by sending part of our Navy abroad. After all, that is what it is. Let us call things by their true names. We are sending part of our Navy abroad. We are becoming a partner in the blockade. We are coming measurably nearer to the conflict. Let us not blink the facts. Perhaps we want to do it; but let us do it consciously, deliberately, and because we want to. Let us not slip into it sideways, without admitting to ourselves that that is what we are doing.

This transaction raises five or six issues, which I have mentioned today, and a great many more which I have not mentioned, any one of which would be a major issue of congressional dispute in normal times.

I simply wish the RECORD to show my belief that if the American people want to embark on this policy, that is their right; but the question is one which ought to be debated and settled by Congress.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. TAFT. Is the Senator advised of the importance to the Navy of the flying boats which authoritative sources seem to say are about to be transferred? Can the Senator give me any information as to their importance?

Mr. LODGE. I do not know which ones are in contemplation. I certainly think that flying boats are of the most tremendous value to a navy. So long as we have only a one-ocean Navy, and so long as the Panama Canal is as vulnerable as it is, we certainly ought to build up our own Navy; and the flying boats are an essential part of the fleet.

I submit the resolution and ask that it be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. The Senator from Massachusetts asks unanimous consent to submit the resolution at this time. Is there objection?

There being no objection, the resolution (S. Res. 317) was received and referred to the Committee on Foreign Relations.

Mr. BARKLEY. Mr. President, I have no objection to the course pursued by the Senator in having the resolution referred to the Committee on Foreign Relations. That was the course which I intended to suggest to him if he had not done so of his own accord.

I do not wish to take up the time of the Senate in rehashing what the French would call a fait accompli in the transfer of 50 destroyers in exchange for certain bases. If the President has done one thing during these troubled times which, in my judgment, has met with the overwhelming approval of the American people, it is the accomplishment of this transfer under the terms which were part of the understanding.

I do not know to what extent the President could with wisdom reveal to Congress or to the public day by day or week by week negotiations which are going on in regard to our foreign relations. Neither do I desire to prognosticate as to how long the Congress would have taken to debate the wisdom of the course which the President took. The war might have been over before we ever should have arrived at a conclusion about it. I am not saying it would, but it might.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. Not at this moment. I am in the middle of a thought. I shall be glad to yield later.

The President took a course which he was authorized to take under the law. There are some who, for political reasons, have criticized the method by which he accomplished this transaction; but the American people as a whole have not criticized it. On the contrary, they have applauded it.

I do not believe that the American people are very much interested in the fine technicalities of executive authority. In my judgment, the course which the President took was a primary and fundamental course in the interest of American defense.

Someone has referred to the 50 destroyers as one-seventh of the Navy. They may be in number, but certainly not in value or in tonnage. Hitler referred to them as "50 old crates." He may have been exaggerating in his effort to minimize their value to the British Navy, but even if it be true that the destroyers were of no practical value, or not very great practical value because of their age, and that the bases were of no monetary or practical value to England, it seems fair to say that the destroyers are of great value to England and that the bases are of infinite value to the United States. But, regardless of that fact, the transaction has been accomplished. I believe that the American people overwhelmingly approve it; and I sincerely trust that no effort is to be made to embarrass our Government because of something which has already happened, which I believe the American people approve, and which I believe was thoroughly legal and wise.

ADDRESS BY SENATOR MINTON BEFORE SOUTHERN INDIANA LABOR DAY ASSOCIATION

[Mr. MINTON asked and obtained leave to have printed in the RECORD an address delivered by him before the Southern Indiana Labor Day Association at Mount Carmel, Ill., on September 2, 1940, which appears in the Appendix.]

SENATOR HENRY F. ASHURST

[Mr. BROWN asked and obtained leave to have printed in the RECORD an editorial from the Detroit News entitled "Unspoiled by Defeat," which appears in the Appendix.]

VOTING RECORD OF SENATOR MALONEY ON LABOR MEASURES

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a letter from William Green, president of the American Federation of Labor, with reference to the voting record of Senator MALONEY on measures of interest to labor, and a compilation of the votes of Senator MALONEY on labor legislation, which appear in the Appendix.]

HON. HENRY WALLACE

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an article from the National Record of September 21, 1940, on Hon. Henry Wallace, nominee on the Democratic ticket for Vice President, which appears in the Appendix.]

LIMITATION OF PRESIDENTIAL TERM—STATEMENT BY VANCE C. M'CORMICK

[Mr. BURKE asked and obtained leave to have printed in the RECORD a statement presented to the subcommittee of the Senate Committee on the Judiciary on limitation of term of Presidency by Hon. Vance C. McCormick, of Pennsylvania, former chairman of the Democratic National Committee, which appears in the Appendix.]

LIMITATION OF PRESIDENTIAL TERM—ARTICLE BY ARTHUR KROCK

[Mr. BURKE asked and obtained leave to have printed in the RECORD an article by Arthur Krock on the limitation of the Presidential term, published in the New York Times of September 18, 1940, which appears in the Appendix.]

ARTICLES BY KENNETH CRAWFORD AND RAYMOND CLAPPER ON NATIONAL DEFENSE

[Mr. WHEELER asked and obtained leave to have printed in the RECORD a series of articles relating to national defense, written by Kenneth Crawford, published in the newspaper PM, and an article by Raymond Clapper, which appear in the Appendix.]

A TIMETABLE OF DICTATORSHIP

[Mr. THOMAS of Idaho asked and obtained leave to have printed in the RECORD A Timetable of Dictatorship, recently published by the Mill & Factory magazine, which appears in the Appendix.]

CONSTITUTION DAY—ADDRESS BY ATTORNEY GENERAL JACKSON

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address by Attorney General Jackson on Constitution Day, delivered Tuesday, September 17, 1940, which appears in the Appendix.]

TRANSPORTATION IN COMMERCE OF CONVICT-MADE GOODS—CONFERENCE REPORT

The PRESIDENT pro tempore. The Chair lays before the Senate the conference report on Senate bill 3550, to make unlawful the transportation of convict-made goods in interstate and foreign commerce.

Mr. NEELY. Mr. President, I now renew the motion which I made nearly 2 weeks ago that the Senate adopt the conference report.

The PRESIDENT pro tempore. The question is on the motion of the Senator from West Virginia.

ADDITIONAL APPROPRIATIONS FOR MILITARY ESTABLISHMENT

Mr. GLASS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from West Virginia yield to the Senator from Virginia?

Mr. NEELY. I do.

Mr. GLASS. I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House Joint Resolution 607, making additional appropriations for the Military Establishment for the fiscal year ending June 30, 1941.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Virginia that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House Joint Resolution 607?

Mr. NEELY. Mr. President, I inquire of the Senator from Virginia whether the matter which he wishes to dispose of will probably lead to any considerable debate.

Mr. GLASS. I hope not, sir. I apprehend there will be no considerable debate. It is a very emergent measure, passed by the House yesterday.

Mr. NEELY. Mr. President, in spite of the fact that the conference report has already been too long delayed, the matter to which the Senator from Virginia has addressed himself is of such an important, and in fact emergent, nature that I shall not object to the request; but I give notice that I shall object to a unanimous-consent request to take up any other matter until the conference report now before the Senate shall have been disposed of. I do not, however, object to the request of the Senator from Virginia.

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 607) making additional appropriations for the Military Establishment for the fiscal year ending June 30, 1941, which was read, as follows:

Resolved, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Military Establishment for the fiscal year ending June 30, 1941, namely:

Military posts: For construction and installation of buildings, flying fields, and appurtenances thereto, including the acquisition of land, rights appertaining thereto, leasehold and other interests therein, and temporary use thereof, without regard to the provisions of sections 355, 1136, and 3648, Revised Statutes, as amended (10 U. S. C. 1339; 40 U. S. C. 255; 31 U. S. C. 529), \$329,519,902.

Acquisition of land: For acquisition of land, including rights pertaining thereto, leasehold and other interests therein, and temporary use thereof, without regard to the provisions of sections 355, 1136, and 3648, Revised Statutes, as amended (10 U. S. C. 1339; 40 U. S. C. 255; 31 U. S. C. 529), \$8,744,000.

Mr. VANDENBERG. Mr. President, I ask the Senator from Virginia what statutes are waived by the exemptions at the bottom of page 1 and the top of page 2 of the joint resolution?

Mr. GLASS. One is a limitation on the construction of permanent barracks. Another is a statute requiring the Attorney General of the United States to pass upon the title of land. Another is a statute with regard to the advance of public moneys before the performance of the work.

Almost this entire appropriation, except \$8,000,000 of it, is for the construction and installation of buildings for draftees. The law requires that there shall be no draftees until provision is made for their accommodation, and this measure simply makes provision to house them.

The PRESIDENT pro tempore. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

TRANSPORTATION IN COMMERCE OF CONVICT-MADE GOODS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3550) to make unlawful the transportation of convict-made goods in interstate and foreign commerce.

Mr. NEELY. Mr. President, the attention of the Senate is invited to the fact that the conference report now before us is identical with the bill as it passed the Senate without a dissenting vote, excepting that the words "or District of Columbia" have been inserted in the ninth line, on page 2, of the Senate bill in order to assure the penal and correctional institutions of the District the same privileges and immunities that will be enjoyed by other similar Federal establishments. The report also contains the following additional language, which was inserted after the word "government" in the tenth line on page 2:

Or to commodities manufactured in any State penal or correctional institution for use by any other State or States or political subdivisions thereof; to parts for the repair of farm machinery; or to agricultural commodities.

Mr. FRAZIER. Mr. President, will the Senator yield for a question?

Mr. NEELY. I yield to the Senator from North Dakota.

Mr. FRAZIER. I wish the Senator would explain what is meant by the provision he has just read—that the bill does not apply to goods made in one State for other States.

Mr. NEELY. Mr. President, it means, for example, that the penitentiary in the Senator's State could manufacture and transport in interstate commerce automobile license plates for the State of Missouri.

Mr. GURNEY and Mr. BARKLEY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from West Virginia yield, and, if so, to whom?

Mr. NEELY. I yield first to the Senator from South Dakota. Then I shall yield to the Senator from Kentucky.

Mr. GURNEY. Mr. President, can the Senator give me any information as to whether a penitentiary making binding twine would be allowed to sell that binding twine in intrastate business?

Mr. NEELY. Only to another State or subdivision thereof. The great delay in bringing this conference report before the Senate was caused by the fact that some of the conferees insisted upon excepting binder twine and farm machinery from the operation of the bill. But a majority of the conferees decided that there was no more reason for excepting binder twine and farm machinery than there was for excepting any other article of commerce.

Mr. GURNEY. Did the Senator misunderstand me? The binding twine made by the penitentiary, say, of South Dakota could be sold in South Dakota?

Mr. NEELY. Certainly. I thought the Senator said in interstate business.

Mr. GURNEY. I said "intrastate business."

Mr. NEELY. I am sorry that I misunderstood the Senator's question.

Mr. BARKLEY. Mr. President—

Mr. NEELY. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator said that under this conference report a penitentiary in one State could sell road machinery to another State desiring to use it. Would that be true also of counties and cities within the State, or other subdivisions of the State?

Mr. NEELY. It would.

Mr. BARKLEY. Of course we all know that under our present road-building program most of the machinery in all the States, I presume, is bought by the State, or by the counties, or by the cities; so that comparatively very little road machinery is bought by private individuals, unless it be bought by road-construction corporations which on a large scale build highways.

I wish to ask the Senator whether the conference report might bring about a situation in which very material injury would be done to competitors in the sale of road machinery if most of it is bought from a penitentiary outside of the State? What effect would it have on them?

Mr. NEELY. Mr. President, in my opinion the conference report contains nothing that could, by any possibility, injure free business or labor. Its purpose is to protect both.

Mr. BARKLEY. Frankly, I do not know to what extent any penitentiary is engaged in making road machinery.

Mr. NEELY. Few, if any, penal institutions make road machinery, and few make machinery of any kind.

Mr. BARKLEY. I suppose there are a larger number which make license plates, which is not very important anyway, so far as the amount is concerned.

Mr. NEELY. The Senator from Kentucky is, as usual, correct.

Mr. BARKLEY. Under the bill, the penitentiary in Kentucky, which might be manufacturing license plates for automobiles in that State, could sell them to Missouri or any other State?

Mr. NEELY. Certainly.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. SHIPSTEAD. I believe that as the law is now, any State has the privilege of barring out goods for its own benefit. Is not that so?

Mr. NEELY. Of course.

Mr. SHIPSTEAD. If any State wishes to stop a State like the State of Minnesota from selling binder twine, it can do so now, can bar it out?

Mr. NEELY. Any State could prohibit its penal institutions from manufacturing or selling binder twine or anything else.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. SCHWARTZ. Under the bill as it is reported it would be possible for one penitentiary that is manufacturing blankets or something else to exchange those with another penitentiary in another State?

Mr. SHIPSTEAD. Mr. President, I cannot hear the Senator's question.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. SCHWARTZ. As I understand the bill, the different States may exchange with each other or sell to each other penitentiary-made goods, provided the goods they buy from the other States are used in State institutions, used by the States.

Mr. NEELY. That is correct, and the privilege of purchasing extends to all the States' political subdivisions.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. WILEY. I have listened to what the Senator has said, and I call attention to what has been written into the bill by the conference, on line 10, page 2. I quote:

Or to commodities manufactured in any State penal or correctional institution for use by any other State or States or political subdivision thereof.

And I continue:

To parts for the repair of farm machinery or to agricultural commodities.

I have received a great deal of correspondence from people back home in my State who feel that this provision is not broad enough. For instance, I have here a letter from the Wisconsin Council of Agriculture, which represents a large group of agricultural folks in Wisconsin, and a similar letter from Mr. K. W. Hones, who is the head of the Wisconsin Farmers Equity Union. They say:

The farmers here feel that the reduction in price of prison-made farm machinery is an item in their favor that must be considered. Also, there is not only the opportunity to buy prison-made farm machinery for less money, but furthermore those prices for prison-made farm machinery are definitely a stabilizing influence on the general price structure of other farm machinery.

I read further from one of the letters:

Up in your corner of the State, should this conference report on bill S. 3550 pass, the farmers will be more handicapped on binder twine than here in southern Wisconsin for the reason that today they are buying prison-made twine from Minnesota, due to the lower transportation cost into northwestern Wisconsin from Waupun. For that reason, I am sure that farmers in northwestern Wisconsin are most keenly alert to the threat which this bill presents.

If the Senator will permit me further; as I understand, the bill, now provides in substance that, so far as commerce between the States is concerned as it relates to prison-made goods, the only exception is as to repair parts for farm machinery, and agricultural commodities. If the prison farm produces agricultural commodities, those commodities can be sold across the State border?

Mr. NEELY. That is correct.

Mr. WILEY. Or if the prison produces farm machinery parts, these parts can be sold across the State border; but nothing else can, unless the deal is between another State or county, school district, or municipality, in another State, with the prison.

Mr. NEELY. Mr. President, in my opinion, the Senator from Wisconsin has correctly interpreted the language of the conference report.

Mr. JOHNSON of Colorado. Mr. President, I desire to read a telegram which I have received from Mr. Thatcher, who is chairman of the legislative committee of the National Farmers' Union and who is also president of the National

Federation of Grain Cooperatives. I presume other Senators have received the same telegram. This is addressed to me and reads as follows:

Our organizations angered by high-handed action conferees on prison-made-goods bill. Acceptance of report would be big victory for Farm Machinery Trust and great setback to farmers in our long battle against trust. Urge recommitment to exempt farm machinery and binder twine.

That is signed by Mr. Thatcher, as I stated.

The labor organizations and the farm organizations have been cooperating and working very closely together. I feel disappointed that any disruption should come in and break up that fine relationship which has been established between these very worthy organizations, the labor organizations and the farm organizations, as this conference report seems to do.

Mr. NEELY. Mr. President, there certainly was no high-handed action by the conferees in adopting the report. They met again and again and thoroughly debated every controversial question involved in the bill. Mr. Thatcher's gratuitous criticism is without justification.

Mr. President, the conference report raises a single question, and that is, Shall we protect free laborers and free manufacturers from the disastrous competition of convicts and the products of their labor? If so, the conference report should be adopted.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. FRAZIER. There is a provision in the measure which allows farm products produced on prison farms to go into interstate commerce. Some of the penitentiaries have big farms, and the work of the farms is done with cheap convict labor. Those farm products go into other States in direct competition with the products produced on the farms of those States. The farm products of our State are practically all sold below the cost of production. So the same argument applies to farm products; and if agricultural machinery produced by convict labor is to be prohibited from moving in interstate commerce, farm products produced on prison convict farms should be treated in the same way.

Mr. NEELY. No farm organization opposed the bill while it was before the committee. If I am not mistaken, an officer of one farm organization has approved this legislation.

Mr. FRAZIER. Certainly the amendment providing for allowing convict prison farm products to go into interstate commerce was not offered at the request of the farmers of the country.

Mr. NEELY. That is quite true.

Mr. FRAZIER. I cannot imagine what farm organization would take such a position. In some of the Southern States I understand there are prison cotton farms. Cotton is a drug on the market in the South. It is selling for about one-half or one-third of the parity price. Certainly the cotton farmers down there do not want to compete with cotton raised with prison labor.

Mr. NEELY. Can the Senator inform us to what extent cotton is produced by State prisons?

Mr. FRAZIER. I do not know. I simply used cotton raised by prison labor as an example. I know that some of the State penitentiaries have large farms.

Mr. NEELY. The cotton grown by convicts is probably less than one-fifth of 1 percent of the entire crop.

Mr. FRAZIER. That may be. But how about farm machinery? The farm machinery produced by convict labor is probably less than one-fifth of 1 percent of the total produced in the country.

Mr. NEELY. That may be true; but a majority of the conferees, nevertheless, believed that farm machinery should not be excepted from the operation of the bill.

Mr. FRAZIER. In North Dakota the only product manufactured in the penitentiaries for sale is binding twine. North Dakota has only a small prison farm, which produces enough farm products for its own inmates, and that is all. It does not have any farm products to sell at all. Certainly none go outside the State. But the Minnesota penitentiary

manufactures farm machinery, and our farmers of North Dakota buy some of that Minnesota convict-produced machinery—not a great deal, but quite a little—and it comes into North Dakota at a lower price than the International people sell their machinery, and helps regulate and keep down the prices.

We all know that the Machinery Trust makes apparently an exorbitant profit on its products. It now charges the same price or a higher price than it did even in the World War time, and the prices of farm commodities are far below what they were then. It takes about five times as much farm commodities to buy an International harvester as it did a few years ago.

Mr. NEELY. Mr. President, the Senator's argument is to the effect that the unrestricted sale of convict-made goods would reduce the prices paid by the consumers. This reduction in price would sooner or later mean a reduction in the compensation of every free laborer engaged in the production of articles of commerce similar to those made by convicts who receive practically nothing for their toil. I cannot accept this theory or believe that its adoption would be less than intolerable to free labor.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. WILEY. I think the statement of the Senator at least partially depicts the situation, but I call his attention to the condition the farmer is in, and I wish I had words graphically to impress it upon him and other Senators. As everyone knows, the farmer is in a very bad situation, generally speaking.

Apropos of what the Senator from North Dakota referred to, I have in this letter from the head of the Wisconsin Council of Agriculture some proof of what he suggested, and I read into the RECORD this paragraph:

I am wondering also if a little sectionalism hasn't popped out in this bill for the reason that, it is my understanding, in the South convict labor is largely engaged in agricultural pursuits. Texas, I understand, uses such labor extensively in the production of cotton. Louisiana employs her convict labor in the production of rice and sugar. Here in the North we use our convict labor in industrial pursuits, as well as in the field of agriculture. The agricultural production of convict labor in the North is of a nature that does not go into interstate commerce, while the agricultural production of the convict labor in the South does go into interstate commerce.

In relation to the machinery that is produced by the prisons, it is a relatively small amount compared with the total production, but to the farmer in my section it is important. Let me call the attention of the Senate to this very significant fact. For years now probably 90 percent of the farmers of Wisconsin have been producing their main product, which is butterfat, and they have been getting less than the cost of production for it. If they must pay these big prices for machinery—and they are big prices, for I know something about the matter myself—it simply means that you will have to do something for the farmer. You will have to fix the price of his product, so he can get a sufficient price to enable him to buy farm machinery.

Mr. President, like everything human, this matter is like a two-edged sword—it cuts both ways. I for one would not be in favor of imposing upon the economy of the country a vast flood of prison-made goods. But that is not the situation. In the farm area—remember this—the farmer who has been buying the machinery from the trust, as it is spoken of, has been paying the topnotch prices. Even the foreign farmer has been able to buy farm machinery made in the United States at a considerably lower price.

If the farmer had a sufficient income to buy that farm machinery, there would be no question about this proposition. But shall we continue to interfere with that segment of our society which is the backbone of the Nation—I mean the farmer, who produces the food that you and I live by and whose farm has been going down in value, and the little money that he had saved before 1929 hit him is all dissipated?

Taxes are going up and the farmer's income is coming down. His machinery is worn out and he has a chance to get machinery at least in a competitive market. Now there will be

no competitive market. The so-called trust will "boost the price on account of war conditions" and the farmer will be "sold down the river again."

So far as union labor is concerned, in my humble opinion, the production of this machinery in the small quantities in which it is produced will not interfere with union labor in the least. We have fixed the wage to be paid to labor. We have fixed the minimum wage that labor shall receive. But we have not fixed the wage the farmer shall get for his work or products. We have simply said to the farmer, "Get what you can get, let the big boys fix the price of your products and you farmers—well, you are just farmers. You do not count." That is what this legislature has said.

I ask that there be incorporated at the conclusion of my remarks the letters and a telegram to which I have referred. The PRESIDENT pro tempore. Without objection, it is so ordered.

The letters and telegrams are as follows:

MADISON, WIS., September 12, 1940.

United States Senator ALEXANDER WILEY,
Senate Office Building:

Conference report on S. 3550 is damaging and positively detrimental to the true interests of Wisconsin and midwest farmers. On behalf of 37 major Wisconsin farm organizations, I ask that you stand firm in opposition.

MILO K. SWANTON,
Executive Secretary, Wisconsin Council of Agriculture.

WAUKESHA, WIS., September 16, 1940.

HON. ALEXANDER WILEY,
United States Senator, Washington, D. C.

DEAR MR. WILEY: We are advised that bill S. 3550 is to be considered by the Senate Tuesday afternoon, September 17. There are two primary reasons why we are opposed to this bill. First, we believe it is to the best interests of all concerned to keep those in our penal institutions occupied at some profitable labor, thereby cutting down expenses to the taxpayers. Also, when this labor is converted into producing such articles as binder twine, etc., that can be sold to the farmers at a lower price than they would otherwise have to pay, a saving is effected.

If there is any class of people that need help and consideration, we feel it is the farmers. They are not organized like many other industries and consequently do not get the recognition and support that other industries receive. The relationship between the price of farm products and farm machinery, etc., has changed very materially in the last few years. The prices of farm machinery, etc., have advanced a great deal more than the prices of farm products.

We represent an organization of Holstein breeders in Waukesha County and are expressing the sentiments of over 1,000 Holstein breeders. We hope and trust you will give this matter your careful thought and consideration.

Thanking you for your attention to this, we are,
Very truly yours,

WAUKESHA COUNTY HOLSTEIN
BREEDERS' ASSOCIATION,
By A. F. BENNETT.

CHIPPewa FALLS, WIS., September 12, 1940.

The Honorable ALEXANDER WILEY,
Senate Office Building, Washington, D. C.

Re S. 3550.

DEAR SENATOR WILEY: For years Machinery and Twine Trusts have tried to abolish prison-made machinery and twine at the State legislatures. Farmers by the hundred flocked to the hearings and in all sincerity testified as to how the price had been brought down through competition. We have successfully blocked them at home.

Now these trusts, knowing that Washington is out of the farmers' reach, have prevailed on Congress to pass this damnable bill. As soon as this competition is eliminated, these trusts will again have clear sailing to raise prices to whatever level they feel they can wring out of the farmers.

In Wisconsin there are many millions of dollars worth of Minnesota prison machinery and many thousands sold every year. This machinery has been sold for much less than that of the trusts, and farmers have saved this difference. Twine has been kept down in price because of this fact.

To pass this bill will do Wisconsin farmers great injustice and set a precedent for the future for eliminating all competition, leaving farmers exclusively at the mercy of the trusts.

We are sorry that some labor leaders are being fooled, as it will not do labor one bit of good.

Hoping you will do all you can to stop it, I am,

Sincerely yours,

WISCONSIN FARMERS EQUITY UNION,
K. W. HONES, State President.

SHEBOYGAN, WIS., September 17, 1940.

United States Senator ALEXANDER WILEY,

United States Senate Chambers, Washington, D. C.

DEAR SIR: We understand that bill S. 3550, which would stop the sale of prison-made goods, will be up for consideration shortly.

As farmers of the State of Wisconsin, we feel that the passage of this bill should be blocked altogether; but, if this is not possible, that such amendments be made to it so as to exempt binder twine and farm machinery.

Your earnest consideration of the problems involved will be very much appreciated, and we hope that you will be able to successfully oppose this bill.

Yours very truly,

SHEBOYGAN DAIRYMEN'S COOPERATIVE ASSOCIATION,
HERBERT C. HINZ, Secretary.

WISCONSIN COUNCIL OF AGRICULTURE,
Madison, Wis., September 14, 1940.

HON. ALEXANDER WILEY,

United States Senator, Senate Office Building, Washington, D. C.

MY DEAR SENATOR WILEY: I am replying to your telegram by air mail for the reason that it permits more of an opportunity to give the facts.

Bill S. 3550, in the opinion of the organizations affiliated with the Wisconsin Council of Agriculture, is a typical example of organized industry and labor looking for protection at the expense of the farmer. It will restrict competition for industrial products, but it leaves the door wide open for the competition of prison labor in the open field of agriculture. As I have said before, we in agriculture are willing to stand our share of the competition which prison labor gives. We expect industry and labor to do the same.

Convicts must not be supported in idleness at the taxpayers' expense. From the standpoint of rehabilitation of manhood, bill S. 3550 is a step in the wrong direction.

I am wondering also if a little sectionalism hasn't popped out in this bill for the reason that, it is my understanding, in the South convict labor is largely engaged in agricultural pursuits. Texas, I understand, uses such labor extensively in the production of cotton. Louisiana employs her convict labor in the production of rice and sugar. Here in the North we use our convict labor in industrial pursuits, as well as in the field of agriculture. The agricultural production of convict labor in the North is of a nature that does not go into interstate commerce while the agricultural production of convict labor in the South does go into interstate commerce.

In the final analysis the farmers here feel that the reduction in price for prison-made farm machinery is an item in their favor that must be considered. Also, there is not only the opportunity to buy prison-made farm machinery for less money, but furthermore those prices for prison-made farm machinery are definitely a stabilizing influence on the general price structure of other farm machinery.

Up in your corner of the State, should this conference report on bill S. 3550 pass, the farmers will be more handicapped on binder twine than here in southern Wisconsin for the reason that today they are buying prison-made twine from Minnesota due to the lower transportation cost into northwestern Wisconsin than from Wau-pun. For that reason, I am sure that farmers in northwestern Wisconsin are most keenly alert to the threat which this bill presents.

Sincerely yours,

MILO K. SWANTON,
Executive Secretary.

Mr. NEELY. Mr. President, the Senator in referring to the mistreatment of the farmers, evidently meant during the Hoover administration, when vast numbers of them became bankrupt. Under the Roosevelt administration the farmers have received untold millions of dollars from the Government in benefits both direct and indirect.

Mr. WILEY. Mr. President, I am sorry there has been injected into this discussion the matter of politics, but if you talk about what the farmers have gotten, let me give a significant example. Under your program, what you have done for the average farmer in Wisconsin is that you have paid him for soil conservation. I speak of the average farmer, and I am talking as one, as a farmer who has a 300-acre farm, and an investment of thirty-odd thousand dollars in it, who has been paid on the average \$50 a year. That is what the farmer has gotten.

In the meanwhile the farmer's taxes have gone up, and the price he receives for butterfat, on which he lives, has gone down. So that he has not received enough from his farm, over a period of some 9 years, to pay the taxes on the farm fully equipped.

I do not want to be personal, but on my farm there is no mortgage. I have no interest charges to pay. It produces well but does not pay its way. In the State of Wisconsin and

in the Farm Belt in the past 10 years the Government has taken over tens of thousands of farms because the farmers could not get a decent return on what they produced.

The answer, if an answer is desired, is to give the man who produces a fair return for what he produces, and then there will be no question about paying him a grand subsidy of \$50 a year, which will not create stability in the farming section, or recreate the morale in the discouraged farmer. What the farmers want is a decent return on what they produce. They do not want any "pap." They do not want any suggestion that they have been dealt with in a noble way, a generous way, especially when farms by the thousands have been taken over by Uncle Sam, and farm values have hit the bottom.

In 1933, when the Democratic administration came into power and the insurance companies were foreclosing on farms, the insurance companies usually could get out of a farm the value they had put into it; but now throughout the country generally they cannot get 50 cents on the dollar for what they have in farms. Our own Government is selling back farms at 50 cents on the dollar. If the Democrats think they have helped the farmer by such methods, they are blind with New Deal philosophy. They need glasses. They should take off the blinders so that they can see straight.

Mr. NEELY. Mr. President, this is the first time that I have heard the Senator from Wisconsin boast that he is a farmer. Many years ago General Goff and a brilliant Democratic statesman by the name of Wilson engaged in a political debate in West Virginia, in the course of which General Goff is said to have stated that he understood the farmers' problems because he himself had been a farmer. In response to this Mr. Wilson said, "General Goff's boast that he has been a farmer reminds me that a ground hog once dug a hole in the hillside, and therein established his winter quarters. On a sunny afternoon he went out for an airing, and when he returned he found in his burrow, an animal with much fur, more odor, and no manners. The ground hog said to the intruder, 'Who are you?' The uninvited guest, which happened to be a polecat, answered, 'I am a ground hog.' The ground hog eyed the odoriferous beast, stroked his fur, and otherwise investigated him and then said, 'You don't look like a ground hog; you don't feel like a ground hog; and you don't smell like a ground hog.'" [Laughter.]

My friend from Wisconsin does not look, feel, or smell to me like one of the farmers for whom we have been endeavoring to provide prosperity. [Laughter.] The Roosevelt administration may not have made any contributions directly to my distinguished senatorial farmer friend from Wisconsin, but it has made the farmers of the Nation billions of dollars richer than they were on the last day of the last period of Republican control, March 4, 1933. Out in the West at that time wheat was selling for 23 cents a bushel. Look at today's paper and learn the present price of wheat. Under the last Republican administration corn was burned as fuel, because it was cheaper than coal. Look at today's quotations and learn the difference between Hoover and Roosevelt prices for those who till the soil. The farmers will, in appreciation of Democratic blessings, enthusiastically and effectively help to elect Franklin D. Roosevelt President for a third term.

Mr. HATCH. Mr. President, will the Senator yield to me? Mr. NEELY. I yield.

Mr. HATCH. I do not wish to get into the debate; but the Senator from Wisconsin made a very high-sounding statement about paying producers what their product is worth, and thus solving the troubles of the farmer, with which statement I am entirely in accord. However, since the Senator from Wisconsin has been a Member of this body I have not heard him advance any plan nor have I seen him submit any legislation which would tend to accomplish that purpose in any degree whatever. Furthermore, I have not heard the candidate for President on his particular ticket in this campaign announce any plan for the farmer other than to approve everything this administration has done.

Mr. NEELY. The Senator from New Mexico will not hear the Senator from Wisconsin even suggest a plan for farm relief between now and the 5th of November, because the Senator is vainly depending upon the renegade Tammany Democrat, Wendell Willkie, to solve all farm problems during the next 4 years. What a disappointment is in store for the Senator from Wisconsin on the night of the election!

If the trend indicated by today's paper continues, Mr. Willkie will not even carry Maine or Vermont.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. WILEY. I do not rise as a prophet or the son of a prophet, as some of my colleagues pretend to be. When I listen to distinguished Senators, one of whom referred to a plan which would rehabilitate the country, I am reminded of the fact that in 1937, for the first time since he took office in 1933, the President of the United States predicated the great depression of 1929 upon World War conditions. Why? Because he, too, had a depression.

When the distinguished Senator from West Virginia [Mr. NEELY] speaks of conditions which obtained back in Hoover's day, I am reminded of something else which obtained. A man honored by the world and by his country, after being elected President of the United States, came into the Presidency and was doing a good job when the great tidal wave resulting from world conditions not only inundated America but inundated the world, and we had a depression. Then another tidal wave started, a tidal wave emanating from the minority party, whose members started out with buckets and paint brushes, filth and vermin, and told semitruths and whole falsehoods to the country, so that the great leader, who was recognized internationally and otherwise, went down in the campaign of 1932.

Mr. President, in the Democratic platform of 1932 there were significant promises, none of which have been fulfilled in seven and a half years. The people of this country in November will show that they have not forgotten that the promises were not fulfilled. The great promisors were not great performers.

To what do I refer? I refer to reemploying the unemployed. I refer to reducing bureaucracy in this country. In that day, 1932, 28,000 persons were employed in the city of Washington. Now there are 160,000 to 170,000 Government employees here. I refer to the matter of balancing the Budget and paying off the indebtedness of this country. You Democrats have not fulfilled.

What was done to make good your pledge to the people? Nothing. None of those things was attended to. None of the promises was fulfilled. There was no performance—only promises. All the time we were looking forward to seeing the new prophet in Israel do the job.

The Senator speaks about two politicians back in his State of West Virginia. I am reminded of an old friend of mine in Wisconsin who spoke with a German accent, although he was an American from head to toe. In the seventies he went out into the wilds and built a home, raised a family, and produced wealth. In his old age he had gone into a little village to live out the remainder of his days. He had voted for Roosevelt in 1932 because he said Roosevelt promised so much. He voted for him in 1936 because he again promised so much. But in 1938 he said he was through with him. Why? Listen to the philosophy of this man. He said, "You cannot dig yourself out of a hole by digging deeper." He had learned in the school of experience the rules of life—industry, the need of savings, honesty, square dealing. No; "you cannot dig yourself out of a hole by digging deeper." During the past 7½ years our Nation has been trying that false, debilitating philosophy, which some say has made America stronger. You cannot drink yourself sober. You cannot spend yourself out of debt. You cannot keep on sinning and reform yourself. Neither can government strengthen its vitals by profligate methods.

The Senator from West Virginia [Mr. NEELY] refers to the present prices of corn and wheat as though Roosevelt had something to do with them. What did have something to do

with them? Your money and mine, in the Treasury of the United States, when we went into a big building program to defend the country. Roosevelt had nothing to do with that. The Congress of the United States appropriated the money. World conditions had something to do with it; but I suppose Roosevelt will claim that his was the magic wand.

Let me suggest one other story, a story brought to my mind by the story related by the Senator from West Virginia when he spoke about the odoriferous little black animal with a white stripe down his back. The Senator intimates that I know nothing about farming. Since 1914, when I took over the farm on which my parents lived, buying it from them so that they might live out their remaining days in comfort, I have operated a dairy farm of 300 acres in my State. I know the problems of the farmer, because I have had to pay the bills. I know what the farmer is going through. But enough of that.

A few years before my father passed on, we went out to the farm one day. We went to the hen coop. It had around it some of the odor which has been referred to. We knew what put the smell there. We knew what to do about the smell. We did not have to have a philosopher tell us that a skunk was around trying to get the chickens. We did not have to have a lot of new theories propounded to us about how to get rid of the skunk.

Applying that story to present conditions, the Senator from New Mexico says that we have no legislative program to remedy the economic condition our country is in. I agree with him. It cannot be remedied by legislation. Why? I repeat the disease from which America is suffering cannot be remedied by legislation. One of the great mistakes of the last 7½ years is that the New Deal Democrats have been worshipping the golden calf of legislation. They have gone to the wrong shrine. Seven and a half years of trial and error have demonstrated that they are working up the wrong alley and praying to the wrong god. They have tried to make two times two into five; they have tried to make men who had courage and vision and pep and energy into leaners, chiselers, and grafters; they have put America almost in the same condition that France was in when she went down before the "blitzkrieg" of the Germans. Now they say to America, "We have done a great job." Mr. President, let them open up their eyes, go up into the mount and see what they have done, and in humbleness get down on their knees and pray to God to put an end to their reliance on mechanistic, idealistic theories and let them get down to "brass tacks," to realistic living and thinking.

Churchill said what the road was; Willkie said what the road was. Why you, who never built a structure, who never made a factory go, who never ran a farm profitably, want to keep on the profligate way you have been going is incomprehensible. America will not "fall for it" much longer. America wants you to go back and humbly start up the way that made America great—the way of thrift and honesty and hard work and character and decency, if you please. America wants none of your chiseling, none of your undermining, none of your paint-brush methods.

I will say to the Senator from New Mexico that if he wants to know the way to build America it is as simple as A, B, C, but it is the simple things you will not see; you will go to your theorists and your experimenters, those who deal in magic, and expect to get things done. America has had enough of this course—this loose way of dealing with great values.

What is the way? Here is America. There are 130,000,000 of us. America needs a leader who can coordinate labor, capital, and management; who can give the man of enterprise encouragement, who can give to men the courage to adventure again, who can give them the spirit which will beget vision. That will make America great again.

A few years ago in the Middle West we had a football team that could not win football games; yet in the backfield there was a great punter, a great sprinter, a great ball thrower. In the line there was a great end man, there was a great center rush, there were two great guards, and there were

fine tackles; but each one of them wanted to be the whole show. Each was a great individual player, but the team won no games. The team had a great coach. He was in the newspapers all the time; always pleasant, congenial, loved publicity. Every time he sneezed he had to have an editorial written about it, and every time one of his players did something he had to outplay him for publicity. He could not give the visiting team a chance at all when they came to town. No; he had to have the headlines, he had to get the columnists all the time. The team was losing games. It could not play football. Why? Because each one acted as an individual.

Then one day the school woke up, and said, "We will get rid of that fellow who wants to have the headlines and we will get someone who can take these 11 men and form them into a fighting group, a winning team." The new coach was a modest fellow. When he came on the scene he did not get into the newspapers. He took the men who constituted the team; he talked to them and said "Men, submerge your little personal selves; unite in one great effort; remember 'all for one and one for all'; make this a team and not an exhibition; make it a group that will accomplish something and not one that will merely befuddle the lookers-on; get 11 men into action as one." The funny thing was the team started to win. Why? Because they had a leader; they had a coach who could coordinate the activities of the team, just as labor, capital, management, the farmer, the businessman, the professional man, the clergyman, and all other elements of our society should be coordinated. So the team started to win because they worked together; they built together, and they "went to town" together. Because a leader led them, inspired them, got them to play for their alma mater, they won. The leader was a builder, who built not for self but for the school.

What do the Republicans suggest? They have suggested all along that a new coach be secured, someone who would not always play the headlines, but would weld the national team into a fighting unit to defeat the depression; someone who could take men of different creeds, of different faiths politically and economically, inspire them to fight as one man; see the goal, and win the game.

That, Mr. President, is the remedy; it is the remedy Wisconsin a few days ago undertook to apply there, and that is the remedy this Nation in November will put into effect by electing Wendell Willkie. It requires a man who can inspire; who can create confidence in all classes; who can get the American team to play as one man.

The present party has demonstrated clearly in the last 7½ years that it or its leader cannot do the job.

Mr. CLARK of Missouri. Mr. President, will the Senator from West Virginia yield?

Mr. NEELY. I yield.

Mr. CLARK of Missouri. Does the Senator from West Virginia still have the floor?

Mr. NEELY. Yes; unless he has been deprived of it by the speech of the Senator from Wisconsin.

Mr. CLARK of Missouri. I do not desire to be discourteous to any Senator, but I think it is a very important matter which is now before the Senate, and I wish to give notice that if the Senator yields for any more speeches, I intend to make the point of order and ask that the rule be enforced.

Mr. ELLENDER. Mr. President, will the Senator from West Virginia yield to me for a question?

Mr. NEELY. Mr. President, if the people should respond to the admonition of the Senator from Wisconsin to kneel in prayer, I hope that they will include a pious supplication for deliverance from a repetition of the Hoover administration under Mr. Willkie or any other apostle of the great engineer.

I now yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, there is a proviso contained in the conference report which exempts, among other things, agricultural commodities. I should like to suggest to the Senator a condition which exists in the penitentiary in my State, with the view of obtaining from him an interpretation of "farm commodities." As the Senator knows, the

sugar industry is now operating under the 1937 Sugar Act, and each factory is assigned a certain sugar quota for sale and distribution. The Louisiana State Penitentiary has a sugar factory which has been operating for over 30 years, and it has been assigned a sugar quota. It produces sugarcane on its land. The cane is useless unless it is processed into sugar, and said cane cannot be sold to any other factory because all other factories have all the cane they require in order to produce their respective quotas. I am wondering if the product of the cane produced on the lands of the penitentiary would come within the purview of an agricultural commodity.

Mr. NEELY. In my opinion, it would.

Mr. ELLENDER. I presume the conference managers discussed that phase of the question and came to that conclusion?

Mr. NEELY. That specific question was not discussed by the conferees, but the general principle was considered.

Mr. ELLENDER. And the Senator is of the opinion that the first processing of cane into sugar would be exempted?

Mr. NEELY. That is my opinion. I am informed that sugarcane must be processed in order to be utilized.

Mr. ELLENDER. That is correct.

Mr. NEELY. If the Senator's interpretation in which I have concurred is not correct, the provision of the report which exempts farm products would be a nullity.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. KING. Mr. President, I shall not object to the conference report. I rise merely for the purpose of suggesting that when the bill which is the basis of the report was drafted, inadvertently, three or four words were omitted, namely, the words "or the District of Columbia." The bill when it was under consideration was amended by inserting the words "the District of Columbia," so that the correctional institutions belonging to the District might avail themselves of disposing of their products in the District of Columbia. The Senator from Missouri accepted the amendment, but in the report the words in the second line "or the District of Columbia" have been omitted. I have prepared a concurrent resolution which has been drafted by the legislative counsel and submitted to Judge HATTON W. SUMNERS, of the other House, who is very anxious, after the report has been adopted, that the concurrent resolution be acted upon and agreed to.

Mr. CLARK of Missouri. Mr. President, if the Senator will yield, as I understand the Senator's resolution is simply designed to correct a clerical error in the conference report?

Mr. KING. Exactly.

Mr. CLARK of Missouri. In other words, it was not at all in disagreement between the two Houses, and the conferees did not attempt to go outside their authority. The resolution simply proposes to correct a clerical error in the conference report.

Mr. KING. The Senator has stated the matter very clearly.

Mr. NEELY. Mr. President, I intend to support the resolution which the Senator from Utah purposes to offer, and I doubt whether it is necessary. I ask unanimous consent to insert in the RECORD a short statement upon the subject to which the resolution refers, indicating what I believe to be the intention of the conferees and their interpretation of the bill as it now stands.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Some question has been raised as to the intention of the conferees in the wording of that part of the bill which reads: "Provided, That nothing herein shall apply to commodities manufactured in Federal or District of Columbia penal and correctional institutions for use by the Federal Government."

The original language of the bill exempted from its provisions commodities manufactured in Federal prisons for use by the Federal Government. It was questioned whether prisons of the District of Columbia were Federal prisons and whether the products of prisoners in these institutions could be utilized by the Federal Government, including the District of Columbia. Obviously, it was the intent of the House and Senate in passing this bill so to pro-

vide. In the opinion of the conferees, the prisons of the District of Columbia are Federal prisons and the District of Columbia is a part of the Federal Government.

The conferees saw no necessity of clarifying this point. But inasmuch as the question had been raised, the bill was worded, as quoted above, in order that the Federal Government, including the District of Columbia, could continue the use of the products of its own prisons in accordance with the intent of Congress and existing law.

Mr. SHIPSTEAD. Mr. President, I am informed by the Judiciary Committee that no hearings were held on this bill. It passed the Senate in the morning hour on the 22d day of June under a unanimous-consent agreement to consider bills to which there was no objection. It went to the House; the House amended it; and, as I understand, the Senate refused to accept the amendment of the House protecting prison products such as farm machinery and binding twine. The State of Minnesota, the State of Wisconsin, and the State of North Dakota have binding-twine factories.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. Yes.

Mr. CLARK of Missouri. Let me say that it seems to me that the principle involved in this bill is the question of the competition of free labor against convict labor, which is even worse than pauper labor; but does the Senator see any difference from the standpoint of the farmer between binder twine made by convicts and farm machinery made by convicts, or overalls or shirts or shoes made by convicts?

In our State we formerly had a shoe factory, and we formerly had a work-shirt factory, and we formerly had an overall factory. We have abandoned them, thank Heaven; but the farmer has to buy shoes, and he has to buy overalls, and he has to buy shirts. What difference does it make whether it is binder twine which is manufactured by convicts in competition with free labor, or overalls or shoes manufactured by convicts, or any of a number of other articles which might be mentioned?

Mr. SHIPSTEAD. Mr. President, farm-machinery and binding-twine factories in prisons were not established for the purpose of competing with private labor. They were established to protect the farmers against the extortion of the Machinery Trust and the Sisal Trust, and for no other purpose. The fact that they give employment to prisoners is a secondary consideration. That was the original purpose of starting the farm-machinery plant and the twine plant in the prison of Minnesota. The prisoners are paid under a schedule which under the N. R. A. was found satisfactory by competitors, because they were given a differential allowing for the lack of skill of prisoners. There was no trouble with the wage scale under the N. R. A.

As a matter of fact, the benefit to prisoners of having work, and being paid something like \$150,000 for the work they do, is very great. They are paid 27 cents an hour, and they get their board and their room and their keep. The real purpose back of this legislation is to protect the cordage interests, the sisal interests, and the monopoly—the Farm Machinery Trust.

My father bought a binder in 1892 for \$90 cash. The list price was \$110. It is necessary to pay about \$265 now. The prison of Minnesota sells a binder for \$165, showing the benefits received by the farmers. Something like 12 States receive the benefit of a lower price on twine because of these prison factories. It was not intended that they should be in competition with free labor, but that they should serve as a regulator of monopolies taking extortion from the farmers in the form of twine prices and machinery prices.

This proposal has been before the Senate many times before. Under the Hawes bill, the States are protected now, if they want to take advantage of the protection of the law, by passing legislation within their own borders to prohibit the entry of farm machinery and twine into farm States; but with all the drive of the farm-machinery interests and the sisal interests they have not been able to pass legislation of that kind in the States where farmers were getting the benefit of these prices. So these interests come here to Washington to use

the power of the Federal Government to override the sovereignty of States which have refused to enact legislation prohibiting the entry of these goods within the States. Talk about centralization. There is protection for the States which want it under the law as it now exists.

When a bill of this character came before the Judiciary Committee, I think that, not as a matter of duty but as a matter of courtesy, the authors of the bill should have given notice that such a bill was to be considered, and an opportunity to be heard should have been given.

That is about all I have to say.

Mr. CLARK of Missouri. Mr. President, will the Senator yield before he concludes his remarks?

Mr. SHIPSTEAD. Yes.

Mr. CLARK of Missouri. I am not a member of the Judiciary Committee, but I should like to call the Senator's attention to the fact that this bill was unanimously reported by the Judiciary Committee; it was on the calendar for 3 months before it was ever considered by the Senate, and was then passed without objection on a call of the calendar. So every Senator had the completest opportunity of being heard on the matter, if he wanted to, because the bill was on the calendar for at least 3 months before it was finally passed by the Senate.

Mr. SHIPSTEAD. I admit that that is true, but a bill of this kind should have had hearings before the committee.

Mr. NORRIS. Mr. President, I am one of the conferees on this bill. I have declined to sign the report, and I am opposed to the adoption of the report.

I have no complaint to make of the treatment of the question by the conferees. There were a great many meetings, and there was a very free and frank discussion; but from the first meeting to the last it developed that there were two things in the House bill which some of the House members and one of the Senate members of the conference committee wanted to retain in the legislation. One of them was the exemption of farm machinery and the other was the exemption of binding twine, so as not to have the bill apply to either one of those articles made in a factory in any State penitentiary.

The present situation is a little embarrassing to me, Mr. President, because, to begin with, I am opposed to the products of prison labor entering into competition with the products of free labor. I have been opposed to that for a great many years, and I do not want to be placed in the attitude of favoring the admission of prison-made goods into competition with those made by free labor; but I believe this is a case in which there ought to be an exception to the rule, and I base my opposition to the conference report on that idea.

In principle and theory there is, as I see it, no difference between the manufacture by prison labor of binding twine, as has been suggested by the Senator from Missouri [Mr. CLARK], and the manufacture by such labor of overalls or shoes. In principle, anything made in a prison factory comes into competition with the same article made by free labor if it is something that goes on the market generally; so in theory, really, there should be no exception. Nobody will advance that claim, however, when he comes to make a practical application of the theory. It is admitted by everybody, I think, that men in prisons must have something to do. Solitary confinement is a cruel punishment that we would not inflict upon anybody, regardless of what crime he had committed. It is the most cruel punishment which can be imagined. So we start with an exception. We must have the prisoners working, we must give them something to do. Every humanitarian voice in Christendom cries out for that. If we can, we want to reform the unfortunates who are in prison; and many of them are reformed. One of the things which must be done to accomplish that is to give them work. As I have said, I think everyone agrees to that, so there is an exception to the rule. If we give them work we necessarily bring them into competition with free labor. It cannot be avoided; and there is a confliction in our minds, in my

mind, at any rate between what I want to do on the one hand and what I want to do on the other. I want to protect free labor, and I want to protect prisoners who would become insane patients if they were not permitted to work. How shall I solve the problem?

If we must give the prisoners work, I think it must be admitted that we should go as far as we can to give them work which will compete as little as possible with free labor, though that cannot be accomplished completely. That is not the only consideration, in my judgment, but that is a necessary condition. Regardless of everything, we should do that.

Mr. President, the farmers of the country for many years proclaimed against a Binder Twine Trust and a Farm Machinery Trust. Their complaints may have been exaggerated, and undoubtedly often were exaggerated. They were clamoring against a monopoly of men and corporations who controlled farm machinery which the farmers have had to buy, and they were unable to get relief. So far as I am able to see, I think there was some foundation for that belief of the farmers. I think there was a combination and a monopoly against which they had to struggle.

So the farmers, and some of the States following along the same line, said, "Inasmuch as the labor of these prisoners will compete at some place if the goods go out into commerce, we will let it compete in a field where there is a monopoly, and see if such competition will not bring down prices and relieve the farmers from the monopoly." Therefore there came into the field farm machinery and binder twine and some other things manufactured in penitentiaries. I am using those as examples.

Mr. President, farm machinery and binder twine were necessities for the farmer. The farmer had to pay monopolistic prices for them. The lawmakers of the States took the manufacture of those things by prisoners as one way of getting relief. They said, "We must first put our prisoners to work," and no one objected to that. But whenever they were actually started to work someone objected, wanted them put to work in a different field. While they were put to work where it would bring as little competition as possible, it was also thought that while the States were putting them to work they would give the farmers of the United States relief from a monopoly on some of the things which farmers had to buy; and that is how that situation came about.

I do not think it is a question as to whether, if the prisoners were allowed to do this, it would relieve the situation.

If they could not make binder twine, what would they make? If they could not make farm machinery, what could they do? They have to do something. We have that proposition to start with.

There is another thing which must be taken into consideration. Some of the States went into the farm-machinery business. Minnesota, for instance, established a large factory for the manufacture of farm machinery. The output of the factory began to percolate into interstate commerce in other States, and the farmers claimed it had a direct effect upon the monopolistic prices they were being compelled to pay. The prison-made farm machinery competed with the monopoly, and the same thing was true as to binder twine. The State which went into the business put a great deal of money into it, and I do not believe there is so much complaint now about a Farm Machinery Trust and a Binder Twine Trust as there was. They have not had to compete with prison-made goods, it is true, something which I regret, but I do not see any way to avoid it.

We brought the monopoly to its knees, or partially so, let me say. The farmers of the country are getting the benefit, not only in Minnesota but all over the Union, and now it is proposed to strike down the means which enabled the goods to go into interstate commerce, and brought a benefit to the farmers of the United States by competition with the Machinery Trust. Is that fair? Is that right to Minnesota? Should we say to them, "You have invested your money and you have accomplished the results you started out to accomplish, but you must quit now?"

Mr. CLARK of Missouri. Mr. President—

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. NORRIS. I yield.

Mr. CLARK of Missouri. I shall not interrupt the Senator at this time about the farm feature of the situation, because I wish to speak on that in my own time, but, so far as the matter of investment is concerned, does the Senator think it makes any difference whether the State of Minnesota invested its money in a factory for the manufacture of farm machinery, or some other State invested its money in a factory for the manufacture of furniture, or some other State invested its money in a factory for the manufacture of shoes, or overalls, or anything else? Is not the principle exactly the same?

Mr. NORRIS. That is absolutely true, and I am not trying to deny it. I do not see any difference. But if we are confronted with a condition such as that I have tried to point out, and desire to secure a remedy, would it not be better for free labor if we sought to remedy the situation by limiting the manufacture in the penitentiaries to farm machinery or binder twine, or should we open the door and let them manufacture everything, a condition which I do not wish to see? I do not want to see it because I want to protect free labor, and I want to protect the poor unfortunates who are in the penitentiary, and give them something to do.

It may not be consistent all the way through. As I stated to begin with, in theory there is no difference between making toothpicks and threshing machines. I think the principle is the same. We have to exercise some discretion. To my mind we are justified in doing so. Perhaps I am wrong, but I should not like to see all the prisoners in the United States deprived of work. I should not like to see solitary confinement ever get a foothold in this country, and I would just as much hate to see unrestricted competition with free labor by prison labor.

As I look at the matter, it seems to me that there can be a fair compromise. This is perhaps a conflict of two ideas which I have firmly in my mind. I confess I cannot reason them out satisfactorily, because in theory I have to make an exception.

Another reason why, if we are to make an exception, we should make it here, is that of all the industries in the United States, that which needs help more than any other is agriculture, and if by taking this method we help agriculture a little, so much the better. It may be contrary to our theories, but as a practical matter I think that is another reason why we should reject the conference report, namely, that it will injure agriculture, as I see it.

As we all agree, agriculture is depressed. Everyone desires to help in some way.

Mr. President, I think we will hurt agriculture when we say, "You must cease operating along this line. It has worked satisfactorily"—or so it is said; I do not know anything about its intricacies. "You have competed with these great monopolies and trusts. You have given the poor fellows in the prison a job, but you must cease doing that."

Mr. President, if the present system should be continued, I think it would not hurt free labor in the end as much as it would to take the other course. I believe the present system should be continued in order to help agriculture and organized labor, as well as every other division of our citizens, who ought to be glad to retain the system even though it means some sacrifice.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SHIPSTEAD. I may inform the Senator from Nebraska and the Senate that organized labor in Minnesota has never at any time made any protest against the operation of the farm machine and twine factory at Stillwater. Organized labor recognizes, as does the Senator from Nebraska, that there is a humanitarian principle involved, to give prisoners work, and because the average workingman in Minnesota understands that he and the farmer are both

producers of wealth, he has taken a broad attitude and has never tried by legislation to interfere with that industry.

Mr. NORRIS. Mr. President, I have said all I care to say, but I wish to ask to have read at the desk a letter I received from Maud E. Nuquist, a member of the department of institutions of the State of Nebraska, in regard to this subject. There may be some things in the letter which are not exactly applicable, but I think on the whole it is worthy of consideration. I ask that the letter be read, omitting the first paragraph of the letter, which refers only to me.

The PRESIDING OFFICER. The letter will be read.

The legislative clerk read as follows:

STATE OF NEBRASKA,
BOARD OF CONTROL,
Lincoln, September 14, 1940.

Senator GEORGE W. NORRIS,

Senate Office Building, Washington, D. C.

DEAR SENATOR NORRIS: We feel that to absolutely prohibit the interchange of prison-made goods between States would work a very great hardship, not only upon prison officials and those charged with their administration, but would have a very bad effect on the men confined in penal institutions. The problem of keeping our prisoners usefully and constructively employed is our biggest problem. A man cannot be rehabilitated when he is forced to live a life of idleness.

For several years we have made not only all license plates and road signs for Nebraska in our prison industries, but we have exchanged license plates made in our factory for Wyoming for woolen blankets that they make from the wool from Wyoming sheep at their prison industries. These blankets are of a better grade than we formerly bought on the open market for the same price.

Nebraska has likewise exchanged shoes for fruit processed in Utah prison industries, and canvas jackets for vegetables processed in the Kansas penitentiary.

None of the goods made in these prison industries can come in competition with goods manufactured by free labor, because of the fine Federal law that restricts that, and that took away from the prisons of the country the old contract system whereby private employers profited at the expense of incarcerated men.

We believe a free exchange of goods manufactured in prison industries, between States, would be a distinct advantage to the States.

Now there are not too many license-plate factories in the prison industries of the country but that all of the State license plates, for all of the States, could be made in these factories at a reduced cost to the public over the amount required for private industry.

We believe that the quantities of manufactured articles in prison industries are not sufficient to upset the labor market in the country, since the production goes only to tax-supported institutions and the population in these institutions is such a small percentage of the general population that the savings thus made to the various States is a benefit to the general public.

We believe that complete restriction of interstate trade in prison-made articles would not be a benefit. I have the feeling that the firms selling machinery required to manufacture license plates and other prison products, are much more interested in securing the passage of this bill than is organized labor, for it would mean the sale of much machinery for them. As it now stands, the State best equipped to produce a certain article can do that and exchange its products with other States equipped to produce some other needed article for State institutions, and each State is not thus required to make a big investment in machinery that might be required to furnish its inmates with products at a savings of public funds.

Most cordially,

BOARD OF CONTROL,
MAUD E. NUQUIST.

Mr. CLARK of Missouri. Mr. President, before the Senator from Nebraska yields the floor—

Mr. NORRIS. I had yielded the floor.

Mr. CLARK of Missouri. I should like to ask the Senator a question about this letter, because he is a member of the Senate conferees, and, of course, I always have a great respect for his legal opinion and any other kind of opinion. The Senator does not understand, does he, that there is anything in the conference report or in the bill itself which prohibits the exchange to which this lady refers in her letter—the exchange between penitentiaries of various States among themselves for State use? The question of State use is what the letter is directed to.

Mr. NORRIS. Yes; and I said when I offered the letter, that it probably contained things which were not applicable to this particular question.

Mr. CLARK of Missouri. The reason I raised that question was that the Senator from West Virginia [Mr. NEELY], the chairman of the conferees, made a very explicit state-

ment a little while ago that exchange between penal institutions of various States for State use was not prohibited in any way, and, as a matter of subsequent construction, I do not want it to be in question among the conferees as to whether that is true or not, because I had always understood that there was no suggestion in the bill or in the conference report to prevent exchange between penal institutions of various States for State use, or even subsidiaries of States.

Mr. NORRIS. I am glad the Senator has raised the question. I had no idea of raising that question when I asked that the letter be read.

Mr. CLARK of Missouri. I asked the Senator the question only because the question was raised in the letter.

Mr. NORRIS. Yes; it probably was, and I agree with the Senator, or the chairman of the conference committee about the scope of the bill, and I do not want to make any other representation with regard to it.

Mr. CLARK of Missouri. Mr. President, I desire to address the Senate only for a minute simply to say that there is, in my opinion, only one issue involved in the bill and the conference report now pending before the Senate, and that is the naked issue of whether it is the purpose of the people of the United States and the Federal Government, within the limits of the power of the Federal Government under the Constitution over interstate commerce, to prevent the most callous, the most humiliating competition that free labor can possibly have—the competition with controlled convict labor.

We hear a great deal, first and last, about protecting the American laboring man and the American farmer against unfair competition with pauper labor abroad, yet it is seriously urged on the Senate floor that products made by the most humiliating form of pauper labor—which is labor controlled in penitentiaries, unlimited as to hours, unlimited as to wages—be brought into competition with the products of free American labor.

Mr. President, in my opinion, it makes no difference, from the standpoint of that principle, what the product of the penitentiary factory is, if it is to be permitted to enter into the ordinary channels of commerce and private purchase against the products of free labor.

No Member of this body is more sincerely interested in the welfare of the farmer than am I, or has been more sincerely distressed by the situation that has confronted the farmers of the United States, beginning with the war inflation during the last war, and which has persistently existed since.

Whatever benefit may come to farmers from the reduction in the price of binder twine or in farm machinery, which is very small because the production is very small, is insignificant in comparison with the great principle that free labor in this country be not brought into competition with the products of penitentiaries and penal institutions.

I agree with everything that has been said today about the Harvester Trust dominated by the International Harvester Co. We recognized that in Missouri 25 years ago, when, under a law drawn by my father when he was a member of the legislature, we excluded the International Harvester Co. from doing business in the State of Missouri.

I agree with everything which has been said as to the desirability of breaking down the monopoly in farm machinery, but I insist that the proper way to do it is through the enforcement of laws which are on the Federal statute books and on the statute books of nearly every State in the Union—by antitrust proceedings. I am very happy to see that under the present Assistant Attorney General in charge of such matters, Hon. Thurman Arnold, the Federal Government is finally making great progress in that regard.

However, Mr. President, the fact that a monopoly exists and the fact that somebody ought to be prosecuted under the antitrust laws of the United States are no justification for the principle that free American labor should be subjected to the competition of convict labor. Therefore, it seems to me that we must do one of two things—either we must use the control of Congress over interstate commerce to prohibit the movement in interstate commerce of the products of felon

labor or we must remove any control over the matter and permit free competition.

I was one of those who received a telegram from Mr. Thatcher in which he said he was angered by the report of the conferees. I wish to say only this: Many years ago, before I came to the Senate, I read a book about Mr. Thatcher. I took the trouble to pay for the book myself. I saw it advertised. It was on a subject in which I was very much interested, namely, the welfare of agriculture, particularly in connection with the operations of the Hoover Farm Board, of odious and ill-fated memory. As I recall, I paid \$3.50 for the book, which recounted the history of the operations of one of the subsidiaries of the Farm Board, a so-called grain cooperative in Minneapolis, I believe. I discovered that Mr. Thatcher had received a salary of \$50,000 a year. The amount was so large that it startled me. He received a salary of \$50,000 a year for practically wrecking the grain production of the Northwest. I suggest that the farmers of Missouri and of the United States will not be greatly concerned by the anger at the conferees or at Congress of a horny-handed toiler who manages to make \$50,000 a year for being a professional farmer.

Mr. McKELLAR. Mr. President, I ask the Senator from West Virginia whether or not we are to have a record vote. If we are not to have a record vote, I wish the Record to show that I am in favor of the bill.

Mr. NEELY. I think there will be a record vote.

Mr. FRAZIER. Mr. President, I think we are all agreed that goods manufactured by convict labor should not be sold generally in interstate commerce. I was interested in what the Senator from Missouri said about a book he had read some time ago, which mentioned Mr. Thatcher and others. I happen to know something about the author of that book, inasmuch as he used to live in North Dakota. I happen to know that he tried very hard to get into the cooperative association as one of its officials. He was turned down because the cooperative knew of his past record. Apparently he then got in with the grain crowd and wrote the book about the cooperatives and the Farm Board.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. CLARK of Missouri. I do not know the man who wrote the book. I had never heard of him before. I saw the advertisement of the book in either *The Nation* or *The New Republic*, and sent for the book. I was particularly intrigued by the amount of salary which this horny-handed farmer, Mr. Thatcher, was said to have received, which I understand has never been denied. The salary reminds me of what my little boy said when he first saw Niagara Falls. I went up there a few years ago to make a speech. I took him along with me, thinking that he would be properly impressed with the majesty of Niagara Falls. When we arrived at the spot I said to him, "Son, what do you think of that?" He said, "Nifty." [Laughter.] I think a horny-handed farmer who makes \$50,000 a year representing the subsidiary of a Government corporation is receiving a "nifty" salary.

Mr. FRAZIER. Mr. President, I think the Senator from Missouri has forgotten something about the particulars of the book. I do not think it was Mr. Thatcher who received the \$50,000. As I remember, it was a Mr. Huff, who was head of the Grain Corporation at Chicago at that time. I am not by any means upholding such high salaries paid to officials in the cooperative associations. I do not give any particular credit to the book because, as I say, I happen to know the author of it. He was the same man who afterward edited the Dr. Townsend papers. I understand that he got into trouble because he could not keep his accounts straight and was let out of that position.

Mr. CLARK of Missouri. Let me say to the Senator from North Dakota that I did not know the man who wrote the book. I was simply impressed by some facts which were easily subject to verification, about the salaries which were paid, and about the effect of the operations of the corporation

on the grain market. I took the trouble to verify the statements in the book as to the fall in the price of grain following the establishment of the corporation. The situation was very striking.

Mr. FRAZIER. Mr. President, the question of the sale in interstate commerce of goods manufactured by convict labor has been discussed many times. As the Senator from Minnesota [Mr. SHIPSTEAD] stated, we thought it was pretty well taken care of by a law passed by Congress a few years ago, which prevented contracts being made between prison authorities and certain manufacturers or companies which wanted to handle the goods and make money out of them. The law gave the States the authority to forbid prison-manufactured products from coming into the States if the States so desired. I think that law took care of the situation fairly well.

In some States convicts work on the roads. Of course, in so doing, they come into direct competition with free labor. As has been stated by one or two Members of the Senate, some of the States, especially in the South, have large farms, on which are located sugar factories or cotton-processing plants for the manufacture of goods from farm products. The Senator from West Virginia [Mr. NEELY] made the statement that he thought sugar would be included as a farm product, and exempted. If sugar is to be exempted, why not cotton shirts and woolen blankets, because they too are made from farm products? I do not know whether or not the Senator's interpretation is correct; but if we are to exempt farm products or products manufactured from farm products, it seems to me we should also exempt binder twine and farm machinery, because they are sold for the benefit of farmers. In North Dakota our binder twine factory in the penitentiary has saved us thousands of dollars in the price of our twine. The factory has not only furnished a fairly good grade of twine at a cheap price, but it has had the effect of regulating the price. We know that the Government, the States, and the municipalities have regulated the price of electricity by means of municipally owned, State-owned, and federally owned plants; and we think great good has been accomplished in regulating the price of electricity.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. CLARK of Missouri. The Senator does not understand that there is anything in the bill which prohibits the State of North Dakota from maintaining in its penitentiary a factory for the manufacture of binder twine for sale in the State of North Dakota, does he?

Mr. FRAZIER. No.

Mr. CLARK of Missouri. The Senator says that the factory has saved the people of North Dakota thousands of dollars in the price of binder twine, by setting up a local yardstick. The Senator used the power question as an analogy. That yardstick may still exist. The only thing which is prohibited is the sale of such products in interstate commerce. The bill would prohibit the State of North Dakota from entering into commercial business, and selling its binder twine across the boundaries of North Dakota. Does not the Senator so understand the conference report?

Mr. FRAZIER. It is true that in North Dakota we have only a small population; and we have only a small population in our State penitentiary. We do not manufacture enough binder twine to meet the needs of our farmers. We buy some outside the State, of course. We have not the money to put in a farm-machinery factory. We buy some of the farm machinery manufactured in the State penitentiary in Minnesota. That factory has the effect of stabilizing prices to a great extent. I am satisfied in my own mind that farm machinery in general would now be selling at much higher prices if it were not for factories such as that in the Minnesota State Penitentiary. It has had a wholesome effect in that way.

The same thing applies to other products. Personally I think that, if farm products are to be exempted in the bill, binder twine and farm machinery should also be exempted. We have no Government-owned plant manufacturing farm machinery to fix the price. Sometimes I think such a plant would be a good thing; but if anything of that kind were even

advocated, it would immediately be called communism, or something worse. It seems to me something must be done either to regulate the prices of the products which the farmer must buy or to regulate the prices of the products which the farmer has to sell in order to give him a purchasing power. We need lower prices for the products that we have to buy unless we can get better prices for the products we have to sell.

As stated by the Senator from Minnesota, 40 or 50 years ago farmers could buy binders for \$90 or \$100, but now they cost nearly three times that amount. The prices of farm products are practically the same today as they were 40 or 50 years ago, and in some cases prices are even lower, although it costs more to produce them.

Little things in the States in the Middle West, such as the manufacture of binder twine and farming machinery in the penitentiaries, have helped our farmers a good deal while they are getting lower prices for their farm products, just as in the South, undoubtedly, the opportunity to sell the farm commodities produced on prison farms has helped to take care of and support penitentiaries. It has had that effect in my State also. The binder-twine factory has made a little money for the penitentiary. I am aware it has not paid the prison workers much—50 or 60 cents a day I think the amount is—but it has given them labor, something to do, something to occupy their minds; it has been a good thing for them. We do not allow men in our prisons to go out on the road; that has not been popular in North Dakota; but when one drives through the Southern States in a number of those States he can see men in striped suits on the roads, sometimes accompanied by a guard with a rifle on his shoulder watching them.

There are so many angles to this situation that it seems to me, if we are going to pass the bill at all with the exemptions it contains, we should at least include the amendments which were put in by the House of Representatives to exempt binder twine and farm machinery; and I hope some Senator will make a motion to send the conference report back to conference with instructions to put in those amendments which were adopted by the House and stricken out by the Senate committee.

As I understand from the Senator from Nebraska [Mr. NORRIS], he was one of the conferees who did not sign the report; and I notice from the report that only three of the five conferees on the part of the House signed it, so it is not a unanimous report by any means, but was agreed to merely by a bare majority. It has been stated that this bill was on the Senate Calendar for several months or weeks and was finally passed unanimously. I do not recall how long after it was placed on the calendar it was passed, but it was objected to repeatedly, because there was opposition to it, and it was finally passed when those who were interested did not happen to be present.

The House put in the amendments which were wanted here by those who objected to the bill as it was reported from the committee. So we hope that it will go back to conference and that those particular amendments which were put in by the House will be included in the conference report.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Lee	Sheppard
Andrews	Frazier	Lodge	Shipstead
Ashurst	George	McKellar	Smathers
Austin	Gerry	McNary	Stewart
Bailey	Gibson	Maloney	Taft
Barkley	Gillette	Mead	Thomas, Idaho
Bilbo	Glass	Minton	Thomas, Okla.
Brown	Green	Murray	Thomas, Utah
Bulow	Gurney	Neely	Tobey
Burke	Hale	Norris	Tydings
Byrd	Harrison	Nye	Vandenberg
Byrnes	Hatch	O'Mahoney	Van Nuys
Capper	Hayden	Overton	Wagner
Caraway	Herring	Pepper	Walsh
Clark, Idaho	Hill	Pittman	Wheeler
Clark, Mo.	Holt	Radcliffe	White
Connally	Johnson, Calif.	Reed	Wiley
Danaher	Johnson, Colo.	Russell	
Davis	King	Schwartz	
Downey	La Follette	Schwellenbach	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present. The question is on agreeing to the conference report.

Mr. LA FOLLETTE. Mr. President, I very much regret that I cannot support the conference report. I think my record in the Senate will demonstrate that I have been an ardent supporter of labor legislation; but it seems to me very unfortunate that a majority of the conferees who prepared the report should have been able to provide for the situation confronting the southern prison industries that produce processed agricultural commodities, but did not find themselves in a position to accept the amendment contained in the House bill with regard to the manufacture of binder twine and farm machinery.

In order to understand the reaction of farmers with regard to this proposed legislation, it is necessary to bear in mind that these State prison manufacturing plants for binder twine and farm machinery were established primarily in order to provide a check against the extortionate prices charged by the manufacturers of binder twine and of farm machinery. Those who have made any study of the prices of binder twine and of farm machinery know that they are what the economists call "sticky" prices. Farm machinery has remained comparatively upon a very high level so far as the price structure is concerned, despite the economic depression through which the country has been passing since 1929. It is estimated that the price saving to Wisconsin farmers in the 25 years the binder-twine plant has been operating at the State prison amounts to \$100,000 a year, or \$2,500,000 during that period of time.

Mr. President, there is a similar situation so far as farm machinery is concerned. As has already been pointed out in the debate, the price of farm machinery has been at a very high level. But the minute percentage of production at the Minnesota plant has had a very helpful effect in that area in tending to check and to reduce those prices. Therefore, I hope some motion will be presented to return the bill to conference with instructions to the Senate conferees to accept the House amendments.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. CLARK of Missouri. The Senator, of course, is familiar with the fact that the House has already acted on the conference report, and therefore a motion to recommit is not in order. It would be simply a question of voting down the conference report, which would be a vote to kill the legislation.

Mr. LA FOLLETTE. Mr. President, if that is the parliamentary situation, I do not agree that the rejection of the conference report would kill the legislation, because it is always in order to request a further conference. After the motion for a further conference is carried, and before the appointment of conferees, it would be in order to instruct the Senate conferees to accept the House amendments as to binder twine and farm machinery. Certainly it would not take the conferees very long to get together if they were instructed to accept the House amendment. As we well know, when a similar situation occurred in the case of the conscription bill, it took the conferees but a very brief space of time to come together when they were instructed to agree.

Mr. CLARK of Missouri. Mr. President, will the Senator yield at that point?

Mr. LA FOLLETTE. I yield.

Mr. CLARK of Missouri. The Senator, of course, is familiar with the fact that in that case the Senate acted first on the conference report, and therefore a motion to recommit with instructions was in order. The motion made by the Senator from West Virginia [Mr. NEELY] was to recommit with instructions to accept the amendments of the other body. In this case a motion to recommit is clearly not in order. Therefore no instructions are possible, and rejection of the report would throw the bill back into the general channel of legislation, in which it has been struggling along now for a year and a half.

Mr. LA FOLLETTE. I do not for one moment agree with the Senator from Missouri that if the conference report were rejected, and if the Senate asked for a further conference, it could not be arranged before the week end is concluded, because it is obvious that if the report should be rejected, the Senate would instruct its conferees to accept the House amendment so far as these two particular products are concerned, and the legislation could be passed by early next week.

In connection with this matter, since the debate has practically covered the field, I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks a memorandum in connection with this legislation sent to me by Col. John J. Hannan, who for a number of years was chairman of the Wisconsin State Board of Control, and numerous telegrams and communications which I have received from persons in Wisconsin who are vitally interested in this proposed legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LA FOLLETTE. In conclusion, I wish to say that I think one of the unfortunate effects of the failure of the conferees to take this particular situation into consideration is that it further tends to separate the farmers and the wage earners of the country.

The following matters were ordered printed at the conclusion of Mr. LA FOLLETTE's remarks:

MEMORANDUM—S. 3550, H. R. 10101

The title of each of these bills is "To make unlawful the transportation of convict-made goods in interstate commerce."

Their purpose would be more accurately described under a title "To soak the farmers for the benefit of the cordage and the farm-machinery manufacturers."

These bills originated with a group of binder-twine manufacturers, members of the cordage institute, but have been paraded before Congress behind a labor mask. The real beneficiaries of this proposed legislation are not workers but are binder-twine manufacturers.

The interstate transportation of convict-made goods in every line except twine and farm machinery has ceased because of legislation adopted by most of the States under authority of the Ashurst-Summers Act in order to give effect to the Hawes-Cooper Act.

Eight State prisons manufacture binder twine, and only one farm machinery. These eight States are Minnesota, North Dakota, South Dakota, Wisconsin, Michigan, Missouri, Kansas, and Oklahoma. Minnesota is the only State prison manufacturing farm machinery.

Under the drive to make effective State prohibitions against open-market sales of convict-made goods, nearly all of the States have adopted legislation to prohibit transportation of prison-made goods into each such State. The law in a few States exempts binder twine and farm machinery from such prohibitions. Wisconsin is one such State.

For more than 20 years cordage interests have promoted national legislation to destroy State set-ups for production of prison-made binder twine. These cordage interests, like barnacles, attached themselves to the clothing, the shirt, and the foundry industries in their fight to eliminate prison production from competition in these fields with free labor.

In this contest it was possible to show instances where in some lines of manufacture prison production was marketed unfairly in competition with like goods made in free industry.

No such condition exists as to prison-manufactured binder twine.

WHY WERE PRISON MILLS ESTABLISHED?

The establishment of binder-twine mills in the prisons of several of the States was made through efforts of grain-producing farmers to protect themselves against extortionate prices of the twine used to bind grain. These mills have made an outstanding record of attainment of the objective responsible for their establishment.

Without taking any unfair advantage of competing free industry, prison binder-twine mills accomplished their purpose.

These mills are an effective stabilizing influence upon the price of binder twine.

During the existence of N. R. A. a convincing demonstration of the fairness of the operators of these prison mills was made when under the codes they sat together with the code authorities of the free-cordage industry. The prison mills willingly, in fact avidly accepted the wage and hour conditions of free industry.

The only differential they asked, and the competing free industry readily considered it to be justified, was a price differential to cover the lack of efficiency in the prison-operated mills. This price differential varied from one-half cent to about 1 cent per pound on binder twine. No complaint was made by private manufacturers that prison binder-twine manufacturers had "chiseled" in any particulars.

It is true a decline in the amount of twine sold by the free manufacturers has been experienced in this country. The same applies

to the prison mills. There are two reasons for this: One, the introduction of the combine harvesting machine doing away with the need of binding grain, and, second, the increase in imports of foreign twine. In this wartime this latter reason has almost been eliminated except for the stock of foreign twine carried over from the imports made prior to the beginning of this war.

The manufacture in prison of twine was undertaken in the first instance not for the main purpose of giving prisoners employment but to protect agriculture, the fundamental industry of this country, against exploitation by a handful of binder-twine manufacturers. The same condition that justified its establishment in the first instance exists today. There are fewer free manufacturing plants producing binder twine than were in business 15 years ago. Also there are fewer State-operated binder-twine mills. The disappearance of some manufacturers from this field was not due to prison-made twine, but, in large measure, was due to the "squeeze" tactics of free industry, to change in harvesting processes and to the importation of foreign twine.

At the same time that these prison mills protected grain-producing farmers against extortion, employment was furnished to prisoners. These prison twine mills have not only been a source of labor and income to prisoners, but have produced substantial revenue to operating States. Through these revenues it has been possible in some instances either wholly, or in considerable part, to pay the cost of operating prison establishments.

Unfortunately for this presentation figures are not available from all States manufacturing binder twine to show what these publicly owned and operated prison activities have done for the States and for the prisoners.

In Minnesota in 26 years, it is estimated that the manufacture of binder twine and of farm machinery in its prison has brought revenue to the State of \$20,000,000 and that over and above the cost of maintenance of prisoners in the past 10 years, the earnings of prisoners averaged \$150,000 per year.

In addition to a saving made through the revenue from these prison industries during the 26-year period, it is estimated that on the use of binder twine from its State-owned mill, the farmers of Minnesota made an additional saving of \$10,000,000.

In Wisconsin in a 25-year-operating period its prison binder twine mill, a very modest mill compared with that of Minnesota, turned into the general fund for inmate labor \$696,530 and from the binder twine revolving fund, which is never permitted to exceed \$600,000, the general fund has received \$1,263,059.

In other words, the Wisconsin mill has brought into the treasury of that State \$1,959,589. This does not include sums paid to prisoners personally.

It is estimated the actual savings to Wisconsin grain-producing farmers through the operation of the prison binder-twine mill at a minimum is in excess of \$100,000 per year, or for the period covered it would mean a saving to the farmers on their binder twine of \$2,500,000.

So experiences of these two States present the picture of benefits accruing from binder-twine mills operated in their prisons.

The picture of this industry and the social and economic effect it has in the giving of employment to prisoners and at the same time the giving of protection to farmers places its value on an entirely different basis than that of any other prison industry disposing its products on the open market.

Wisconsin has no private manufacture of binder twine within its borders. Every pound of the binder twine manufactured by the Wisconsin prison mill is sold within the confines of the State. Farmers in northwest Wisconsin, because located close to the Minnesota prison mill, buy binder twine from that mill, as the freight rate is less from Stillwater to points in the northwest of the State than from Waupun, Wis., which is situated a little south of the central part of Wisconsin.

To briefly present an additional picture of the benefits which prison industry confers upon the farmers, the Minnesota prison in 1940, has a wholesale price of \$164, f. o. b. Stillwater, for its 7-foot binder. The competing machine sold by the International Harvester Co. is priced f. o. b. Chicago at \$211, and by the John Deere Co. \$211.25 f. o. b. Moline. While unable to present the retail prices of these machines, but considering the Minnesota mill operates on a 40-hour week and that the average pay of the prisoners employed in its farm-machinery mill is 27 cents an hour, this difference of \$47 on each machine of this type is evidence that in those communities where the prison-made machinery is being shut away from the farmers, that the charge of extortionate prices and monopoly control is established.

The facts presented here establish that the prison production of binder twine and of farm machinery is an entirely different relationship than that of the production and marketing of shirts and overalls and other articles of like character which were cited in the charge of unfair competition and wrong done to labor by prison manufacture. Similar wrongs were never successfully established in the case of prison production of binder twine or farm machinery, but on the contrary not only have farmers benefited but the public has been protected as the lower price of the binder twine and farm machinery must lower the cost of the production of grain.

Notwithstanding the plain implications of statements made in Congress in support of this legislation, the language of the Hawes-Cooper Act or of the Ashurst-Sumners Act was not mandatory. Each was an act to provide certain rules with respect to transportation and sale of prison-made goods. These acts were to become effective only through the action of the States. Each State was free to adopt or not to adopt legislation to give effect to these acts of Congress. In the language of either of these statutes there is

no compulsion placed upon the States. The Hawes-Cooper Act divests prison-made goods of interstate character provided such goods made in one State are sent into another State which has enacted a statute to give effect to the Hawes-Cooper Act. The Ashurst-Sumners Act provides penalties for the interstate transportation of prison-made goods or for offering for sale such goods on the open market, provided that such goods are received or offered for sale in violation of any law of such State or Territory.

The Federal law imposing penalties only becomes operative through a local law enacted to make the Hawes-Cooper Act and the Ashurst-Sumners Act effective within that State.

States that have refused to enact such legislation are as clearly within their legitimate sovereign rights as are those States which have enacted legislation to make effective the provisions of these statutes.

Neither the Hawes-Cooper Act nor the Ashurst-Sumners Act in language or declared purpose were amendatory of any constitutional power of a State. These acts placed within the power of each State to determine for itself whether it desired to limit its own right to ship or receive or sell or permit the sale in the open market within its own borders convict-made goods. However, the legislation proposed in S. 3550 and H. R. 10101 is broader than any heretofore offered in that it provides penalties for the transport of convict-made goods in interstate commerce.

There is no reference to "violation of a law of a State." This is as broad a prohibition as can be written into the statutes. It is not dependent upon the action of any State law. It is compulsory.

Heretofore legislation to limit prison industries was enacted with coating of honeyed words which won acceptance because the right of the State to act upon the transportation and disposition of prison goods, whether made within or without its borders, was safeguarded. This legislation denies discretion to the State and arbitrarily imposes the will of Congress.

Respectfully submitted.

JOHN J. HANNAN.

CHIPPewa FALLS, Wis., September 12, 1940.

Senator LA FOLLETTE,

Senate Office Building:

Make desperate effort to kill conferee report S. 3550. Wisconsin farmers to suffer great loss if bill passes in present form.

WISCONSIN FARMERS EQUITY UNION,
K. W. HONES, President.

WASHINGTON, D. C., September 12, 1940.

Hon. ROBERT M. LA FOLLETTE, Jr.,

Senate Office Building, Washington, D. C.

Our organizations angered by high-handed action conferees on prison-made goods bill. Acceptance of report would be big victory for Farm Machinery Trust and great setback to farmers in our long battle against trust. Urge recommitment to exempt farm machinery and binder twine.

M. W. THATCHER,

Chairman, Legislative Committee, National Farmers Union;
President, National Federation of Grain Cooperatives.

MADISON, Wis., September 12, 1940.

United States Senator ROBERT M. LA FOLLETTE,

Senate Office Building:

Conference report on S. 3550 is damaging and positively detrimental to the true interests of Wisconsin and Midwest farmers. On behalf of 37 major Wisconsin farm organizations I ask that you stand firm in opposition.

MILO K. SWANTON,

Executive Secretary, Wisconsin Council of Agriculture.

PESHIGO, Wis., September 17, 1940.

Hon. R. M. LA FOLLETTE,

United States Senate Office Building:

The Wisconsin State Grange urges that you use your influence to oppose and prevent passage of bill S. 3550. Products of Wisconsin prison twine mill has saved Wisconsin farmers and taxpayers millions of dollars.

NEAL PECK, State Master.

SPOONER, Wis., September 16, 1940.

Senator LA FOLLETTE,

Senate Chamber, Washington, D. C.:

Kill report on S. 3550.

FARMERS EQUITY UNION, CRYSTAL LOCAL 368.

SARONA, Wis., September 16, 1940.

Senator R. M. LA FOLLETTE,

Senate Office Building, Washington, D. C.

DEAR SENATOR: Kill report on bill S. 3550. This bill would cost us farmers millions of dollars.

WASHBURN COUNTY FARMERS EQUITY UNION,
THURSTON B. TRUMBOWER, County Secretary.

DARLINGTON, Wis., September 17, 1940.

Senator ROBERT M. LA FOLLETTE:

We urge your opposition to bill S. 3550.

MEDLEY PRODUCE CO.

SEYMOUR, WIS., September 17, 1940.

Senator R. M. LA FOLLETTE,

Senate Office Building:

We ask your support in defeating bill S. 3550.

PROGRESSIVE FARMERS OF AMERICA,
HERBERT TUBBS, Secretary.

CLEAR LAKE, WIS., September 17, 1940.

Hon. ROBERT LA FOLLETTE,

United States Senate:

Your opposition to bill S. 3550 will benefit farmers.

THE FARMERS COOPERATIVE CREAMERY CO.

WAUKESHA, WIS., September 16, 1940.

Hon. ROBERT M. LA FOLLETTE,

United States Senator, Washington, D. C.

DEAR MR. LA FOLLETTE: We are advised that bill—S. 3550—is to be considered by the Senate Tuesday afternoon, September 17. There are two primary reasons why we are opposed to this bill. First, we believe it is to the best interests of all concerned to keep those in our penal institutions occupied at some profitable labor, thereby cutting down expenses to the taxpayers. Also, when this labor is converted into producing such articles as binder twine, etc., that can be sold to the farmers at a lower price than they would otherwise have to pay, a saving is effected.

If there is any class of people that need help and consideration, we feel it is the farmers. They are not organized, like many other industries, and consequently do not get the recognition and support that other industries receive. The relationship between the price of farm products and farm machinery, etc., has changed very materially in the last few years. The prices of farm machinery, etc., have advanced a great deal more than the prices of farm products.

We represent an organization of Holstein breeders in Waukesha County and are expressing the sentiments of over 1,000 Holstein breeders. We hope and trust you will give this matter your careful thought and consideration.

Thanking you for your attention to this, we are,

Very truly yours,

WAUKESHA COUNTY HOLSTEIN
BREEDERS' ASSOCIATION.

By A. F. BENNETT.

SHEBOYGAN, WIS., September 17, 1940.

Hon. ROBERT M. LA FOLLETTE,

United States Senate, Washington, D. C.

DEAR SIR: We understand that Senate bill 3550, which would stop the sale of prison-made goods, will be up for consideration.

As farmers of the State of Wisconsin, we feel that the passage of this bill should be blocked altogether, but if this is not possible, that such amendments be made so as to exempt binder twine and farm machinery.

Your earnest consideration of problems involved will be very much appreciated, and we hope that you will be able to successfully oppose this bill.

Yours very truly,

SHEBOYGAN DAIRYMEN'S COOPERATIVE
ASSOCIATION.

HERBERT C. HINZ, Secretary.

LIMA CENTER, WIS., September 16, 1940.

Senator ROBERT M. LA FOLLETTE,

Washington, D. C.

DEAR SIR: My attention has been called to bill No. S. 3550. This bill if passed will prohibit the manufacture of commercial goods in prisons. I wish you would do everything in your power to stop this bill from being passed.

In the first place, here in the State of Wisconsin, our prisoners in the manufacture of twine have saved the taxpayers approximately \$100,000 a year and have also saved the farmer a large amount of money on the cost of his twine.

While this may not be in line with labor organizations and the monopolists, I believe they need a little competition.

Furthermore, it would be an awful handicap to the States and to the prison authorities to keep discipline among so large a number of idle men. It would even be hard to keep them healthy while idle.

The farmers are certainly entitled to at least a few items at a more reasonable price and our prison goods here in the State of Wisconsin have been far more reasonable than goods manufactured in factories where labor is controlled by labor racketeers and monopolists.

I may be speaking very frankly, but I have the facts to back these statements. If you wish, I can get them for you.

Yours truly,

E. C. MEISSNER.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. SHIPSTEAD. On that question I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.
The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lodge	Schwellenbach
Austin	George	McKellar	Sheppard
Bailey	Gerry	McNary	Shipstead
Barkley	Gibson	Maloney	Smathers
Bilbo	Gillette	Mead	Stewart
Brown	Green	Minton	Taft
Bulow	Gurney	Murray	Tobey
Burke	Hale	Neely	Tydings
Byrd	Hatch	Norris	Vandenberg
Byrnes	Hayden	Nye	Wagner
Capper	Herring	O'Mahoney	Walsh
Caraway	Hill	Overton	White
Clark, Mo.	Johnson, Calif.	Pepper	Wiley
Danaher	Johnson, Colo.	Pittman	
Downey	King	Reed	
Ellender	La Follette	Schwartz	

The PRESIDING OFFICER. Sixty-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the conference report.

Mr. LA FOLLETTE. I renew my demand for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. NORRIS and Mr. ADAMS rose.

Mr. NORRIS. Mr. President, I was addressing the Chair, and I wanted to be heard for just a moment. I have no objection to the Senator from Colorado being recognized. The clerk started to call the roll while I was addressing the Chair for recognition.

Mr. ADAMS. I merely wanted to make an inquiry as to the form in which the question was pending.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. NORRIS. Mr. President, if the conference report shall be rejected, I shall move for a further conference, with instructions to the conferees to agree to the House amendments as to farm machinery and binder twine. I have no disposition, and, in my opinion, no one else has, to cause any undue delay, and I think that it would take only a few moments for the consideration of the bill by the conferees. I wanted the Senate to know that there was no disposition to kill the legislation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. It should be stated, in order that the Senate may understand the parliamentary situation, that the House has already agreed to the report.

Mr. NORRIS. My reason for making the announcement I have made was that I had understood the House had agreed to the report, and that therefore it would not be in order now for me to move to refer the matter back to conference with instructions. I submit a parliamentary inquiry to the Chair. Would it be in order now to move to recommit the conference report to the committee of conference with certain instructions?

The PRESIDING OFFICER. It would not be in order at this time.

Mr. NORRIS. That was my idea, and that was why I made the announcement I made.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. The House having adopted the conference report, there is no committee of conference at this time, I understand, and that situation would not be changed even though the Senate rejected the conference report. Probably if that occurred the Senate would ask for a further conference.

Mr. NORRIS. That is what I intend to do if the conference report is rejected.

The PRESIDING OFFICER. The yeas and nays have been ordered on agreeing to the conference report, and the clerk will call the roll.

The Chief Clerk resumed the call of the roll.

Mr. KING (when his name was called) On this vote I have a pair with the junior Senator from North Carolina [Mr. REYNOLDS]. In his absence I withhold my vote.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I therefore withhold my vote.

Mr. CLARK of Missouri (when Mr. TRUMAN's name was called). My colleague the junior Senator from Missouri [Mr. TRUMAN] is unavoidably detained from the Senate on important business. If he were present, he would vote "yea."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] is absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Arizona [Mr. ASHURST], the Senator from Alabama [Mr. BANKHEAD], the Senator from Kentucky [Mr. CHANDLER], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CLARK], the Senator from Texas [Mr. CONNALLY], the Senator from Ohio [Mr. DONAHEY], the Senator from Virginia [Mr. GLASS], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Mississippi [Mr. HARRISON], the Senator from West Virginia [Mr. HOLT], the Senator from Delaware [Mr. HUGHES], the Senators from Oklahoma [Mr. LEE and Mr. THOMAS], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], the Senator from Nevada [Mr. McCARRAN], the Senator from Arkansas [Mr. MILLER], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Georgia [Mr. RUSSELL], the Senator from South Carolina [Mr. SMITH], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Maryland [Mr. RADCLIFFE] is detained in one of the Government departments. I am advised that, if present and voting, he would vote "yea."

Mr. McNARY. On this vote I have a pair with the senior Senator from Alabama [Mr. BANKHEAD], which I transfer to the junior Senator from Idaho [Mr. THOMAS], and will vote. I vote "nay."

Mr. AUSTIN. I have a general pair with the Senator from Montana [Mr. WHEELER]. Not knowing how he would vote, I withhold my vote.

I announce the general pair of the Senator from Pennsylvania [Mr. DAVIS], who is necessarily absent, with the Senator from Kentucky [Mr. CHANDLER].

The Senator from New Jersey [Mr. BARBOUR], who is unavoidably absent, would vote "yea" if present.

Mr. McKELLAR (after having voted in the affirmative). I inquire if the senior Senator from Delaware [Mr. TOWNSEND] has voted?

The PRESIDING OFFICER. The Chair is informed the Senator from Delaware has not voted.

Mr. McKELLAR. I have a pair with the Senator from Delaware, which I transfer to the Senator from Nevada [Mr. McCARRAN], and allow my vote to stand.

Mr. STEWART. I have a general pair with the Senator from Oregon [Mr. HOLMAN], which I transfer to the Senator from Missouri [Mr. TRUMAN], and will vote. I vote "yea."

The result was announced—yeas 36, nays 23, as follows:

YEAS—36

Adams	George	Maloney	Sheppard
Barkley	Gerry	Mead	Smathers
Bilbo	Gibson	Minton	Stewart
Byrnes	Green	Neely	Taft
Caraway	Hale	O'Mahoney	Tobey
Clark, Mo.	Hatch	Overton	Tydings
Danaher	Hayden	Pepper	Wagner
Downey	Lodge	Pittman	Walsh
Ellender	McKellar	Schwartz	White

NAYS 23

Bailey	Frazier	Johnson, Colo.	Reed
Brown	Gillette	La Follette	Schwellenbach
Bulow	Gurney	McNary	Shipstead
Burke	Herring	Murray	Vandenberg
Byrd	Hill	Norris	Wiley
Capper	Johnson, Calif.	Nye	

NOT VOTING—36

Andrews	Bridges	Donahey	Hughes
Ashurst	Chandler	Glass	King
Austin	Chavez	Guffey	Lee
Bankhead	Clark, Idaho	Harrison	Lucas
Barbour	Connally	Holman	McCarran
Bone	Davis	Holt	Miller

Radcliffe
Reynolds
Russell

Slattery
Smith
Thomas, Idaho

Thomas, Okla.
Thomas, Utah
Townsend

Truman
Van Nuys
Wheeler

So the conference report was agreed to.

Mr. KING. Mr. President, during the discussion of the conference report I called attention to the fact that through an inadvertence there had been an omission in the conference report of several words, and it was suggested that I offer a concurrent resolution, which I now do, for the purpose of having the enrolling clerks make the proper correction.

I send the resolution to the desk and ask that it be read.

The PRESIDENT pro tempore. The resolution will be read.

The Chief Clerk read the concurrent resolution (S. Con. Res. 54), as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate, in the enrollment of the bill (S. 3550) to make unlawful the transportation of convict-made goods in interstate and foreign commerce, is hereby directed to insert, after the words "Federal Government", the words "or the District of Columbia."

The PRESIDING OFFICER. Does the Senator ask unanimous consent for the immediate consideration of the resolution?

Mr. KING. Yes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution offered by the Senator from Utah?

Mr. FRAZIER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FRAZIER. Is the concurrent resolution subject to amendment? Can an amendment be offered to it?

The PRESIDING OFFICER. The Chair is of the opinion that a general amendment would not be in order. An amendment germane to the concurrent resolution, to correct an error, would be in order.

Mr. FRAZIER. The purpose of the concurrent resolution, as I understand, is to correct something that was left out of the conference report.

Mr. KING. To correct a clerical error.

Mr. FRAZIER. I also desire to correct something that was left out of the conference report.

Mr. BARKLEY. The purpose of the concurrent resolution offered by the Senator from Utah is simply to correct a clerical mistake in writing up the conference report. That is done in the Senate frequently. It seems to me the offering of such a concurrent resolution does not provide an opening to change the substance of the conference report.

Mr. KING. I accept the ruling of the Chair, which I think is absolutely correct.

The PRESIDING OFFICER. It is the opinion of the Chair that the conference report is not subject to a general amendment.

The question is on the request of the Senator from Utah for immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

Mr. NEELY. Mr. President, I make the friendly motion that the vote by which the conference report was agreed to be reconsidered.

Mr. CLARK of Missouri. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri to lay the motion made by the Senator from West Virginia on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Megill, one of its clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 607) making additional appropriations for the Military Establishment for the fiscal year ending June 30, 1941, and it was signed by the President pro tempore.

EXPANSION OF LENDING AUTHORITY OF EXPORT-IMPORT BANK—
CONFERENCE REPORT

Mr. WAGNER. Mr. President, I submit the conference report on House bill 10361, to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes; and, after discussion, I propose to move that it be adopted.

The PRESIDING OFFICER. The Senator from New York submits a conference report which will be read.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 10361) to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

Omit the matter proposed to be inserted by the Senate amendment, restore the matter stricken out by the Senate amendment, and on page 2, line 12, of the House engrossed bill, after the word "nationals" insert a colon and the following: "Provided, That no such loans shall be made in violation of international law as interpreted by the Department of State, or of the act of April 13, 1934 (48 Stat. 574), or to the Neutrality Act of 1939."; and the Senate agree to the same.

ROBERT F. WAGNER,
ALLEN W. BARKLEY,
JAMES F. BYRNES,
JOHN G. TOWNSEND, Jr.,
JOHN A. DANAHER,
Managers on the part of the Senate.
HENRY B. STEAGALL,
CLYDE WILLIAMS,
BRENT SPENCE,
JESSE P. WOLCOTT,
ROBERT LUCE,
Managers on the part of the House.

Mr. WAGNER. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. WAGNER. Mr. President, this is the conference report on the bill to increase the lending authority of the Export-Import Bank. There were only two items of disagreement between the two Houses, which were within the province of the conferees to consider. The first was the Senate provision that no loan could be made by the Export-Import Bank which was in violation of the Neutrality Act, the so-called Johnson Act, or international law as interpreted by the Department of State. Upon that item the House receded and the Senate provision remains in the bill.

The other item of disagreement was with respect to the House provision authorizing the R. F. C. to issue its bonds or notes in the sum of \$1,000,000,000, in addition to the present authorization. The conferees had before them a letter from Mr. Jesse Jones, in which he set forth that since the action by the Senate, commitments had been made by the R. F. C. for national-defense purposes in the sum of \$528,895,000. He said further that he was advised by the National Defense Council there would probably be additional commitments "in substantial amounts," for loans to industry and to corporations created by the R. F. C. for the purposes of establishing reserve supplies of strategic and critical materials.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. VANDENBERG. Is the list of loans to which the Senator refers available?

Mr. WAGNER. Yes; I have it here.

Mr. VANDENBERG. Will the Senator put it in the RECORD and then let me see it?

Mr. WAGNER. I propose to put it in the RECORD, I will say to the Senator from Michigan.

The R. F. C. has available today for all purposes, including national defense, only the sum of about \$500,000,000. That is, of course, totally inadequate—inadequate to meet national-

defense purposes alone, apart from all the other functions of the R. F. C. As Mr. Jones advised the conferees, a margin of about \$1,000,000,000 is required for its general operations as a matter of prudent policy. So that without the increase of a billion dollars, the R. F. C. would be seriously crippled, and so would our defense program.

In addition to the request of Mr. Jones, the National Defense Council has also asked that this additional authorization be given in order that the R. F. C. may aid it in vigorously prosecuting the program for national defense. Without the additional authorization, we are taking the responsibility of seriously interfering with the progress of our defense program. Since June of this year the R. F. C. has made commitments exceeding one-half billion dollars for defense purposes, and it is reasonably estimated that more than \$300,000,000 additional will be required for these purposes.

It is plain that unless we want to wipe out entirely the other purposes for which the R. F. C. was created, we shall have to grant this additional sum.

The Senate conferees were so impressed by the arguments and the facts presented that they receded and accepted the House provision. All the conferees have signed the report, so that the conference report is unanimous.

I have here another letter which the Administrator, Mr. Jesse Jones, now Secretary of Commerce, sent to me within the last 3 days, which I ask to have read at the desk.

The PRESIDING OFFICER. The letter will be read.

The Chief Clerk read as follows:

FEDERAL LOAN AGENCY,
Washington, September 16, 1940.

HON. ROBERT F. WAGNER,

United States Senate, Washington, D. C.

DEAR SENATOR WAGNER: Under authority of the amendment to the Reconstruction Finance Corporation Act approved June 25, 1940, in connection with the national-defense program, the R. F. C. has created the Rubber Reserve Co., the Metals Reserve Co., the Defense Supplies Corporation, and the Defense Plant Corporation, and has made commitments for loans and investments, including those made to these corporations, aggregating \$558,609,290. The Defense Commission has advised that other commitments in substantial amounts will be necessary.

I wish, therefore, to urge the added borrowing authority for R. F. C. agreed upon by the conferees.

When the Congress, in June, passed the amendment above referred to, no additional borrowing authority was provided, though the Corporation did not have any more unused credit at that time than prudent policy required for its general operations.

The Rubber Reserve Co. was created to provide for the acquisition of a reserve supply of raw rubber, and \$145,000,000 has been allocated to it.

The Metals Reserve Co. was created to acquire a reserve supply of tin, antimony, manganese, wolframite, and other strategic and critical materials. One hundred and five million dollars has been allocated to it.

The Defense Supplies Corporation was created to acquire a reserve supply of high-test aviation gasoline, and such other materials as may be designated by the Defense Commission. Fifty-three million two hundred and fifty thousand dollars has been allocated to it.

The Defense Plant Corporation was created with a capital of \$5,000,000 in connection with plant construction and the purchase of machinery and equipment to be installed in the plants of manufacturers in order to facilitate the execution of orders by the War and Navy Departments. This Corporation will probably require \$150,000,000 or more, which will bring our present total commitments to near \$700,000,000, and it will probably be necessary to increase our allocations for rubber, metals, and other defense supplies in substantial amounts.

I attach a list of defense loan authorizations to date.

Sincerely yours,

JESSE H. JONES, Administrator.

Mr. WAGNER. The letter shows total commitments to date aggregating \$558,000,000—including \$145,000,000 allocated to the Rubber Reserve Co., to acquire reserve supplies of raw rubber; \$105,000,000 allocated to the Metal Reserve Co., to acquire reserve supplies of strategic and critical materials; \$53,000,000 allocated to the Defense Supplies Corporation, to acquire reserve supplies of high-test aviation gasoline, and such other materials as the National Defense Commission may designate; and \$5,000,000 allocated to the Defense Plant Corporation, to aid in plant construction and purchase of machinery. The Corporation last named is concerned only with defense transactions in which the R. F. C. obtains title

to the needed land or plant or machinery, and leases it to the private manufacturer. The remaining \$255,000,000 has been allocated for loans to expand defense plants, to purchase machinery, to expand aviation and trade schools, and so forth.

Mr. President, unless there are some questions to be asked, that is all I care to say in explanation of the action of the conferees.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks, tables showing exactly what loans and commitments have been made to date by the Reconstruction Finance Corporation for national defense purposes alone.

There being no objection, the tables were ordered to be printed in the RECORD, as follows;

Defense loans approved, June 25, 1940, to Sept. 14, 1940, inclusive

	Number	Amount authorized		
		Reconstruction Finance Corporation's share	Bank's share	Total
Under act of June 25, 1940:				
List 1:				
Loans.....	13	\$53,268,800.00		\$53,268,800
Sales of participations.....	4	130,500.00	\$104,100.00	234,600
Immediate participation.....	1	88,000.00	12,000.00	100,000
Deferred participations.....	5	398,750.00	148,750.00	547,500
Total, list 1.....	23	53,886,050.00	264,850.00	54,150,900
List 2: Stock purchases.....	5	5,000,000.00		5,000,000
List 3: Conditional agreements outstanding:				
Loans.....	15	479,297,855.00		479,297,855
Stock purchases.....	4	15,000,000.00		15,000,000
Total, act of June 25, 1940.....	47	553,183,905.00	264,850.00	553,448,755
To business enterprises under sec. 5d but not under act of June 25, 1940:				
List 4:				
Loans.....	43	510,810.00		510,810
Sales of participations.....	2	18,420.00	13,420.00	31,840
Deferred participations.....	7	362,663.75	219,221.25	581,885
Total, list 4.....	52	891,893.75	232,641.25	1,124,535
Grand total.....	99	554,075,798.75	497,491.25	554,573,290
Add conditional agreements later canceled and not authorized as loans.....	2	4,627,000.00	9,000.00	4,036,000
Grand total approved.....	101	558,102,798.75	506,491.25	558,609,290

¹ Of this amount, \$317,305 has been withdrawn or canceled.

LIST 1.—Defense: Loans and participations authorized under act of June 25, 1940

State	City	Name	Date authorized	Type (loan or participation)	Amount authorized	Type of industry	Purpose
Alabama.....	Anniston.....	Kilby Steel Co., Inc.	Aug. 21	Immediate: Reconstruction Finance Corporation..... Bank.....	\$58,000 12,000	Rolling mill, steel castings, foundry, etc.	Working capital to help finance Army contracts for 371,000 mosquito rods, and for forgings for shells.
Illinois.....	Highland.....	(The Hug Co. (canceled on Aug. 20, and new sale of participation authorized on Aug. 23. See below).)	July 26	Sale: Reconstruction Finance Corporation..... Bank.....	45,000 45,000	Manufacturing trucks and road building machinery.	Working capital in connection with manufacturing of 10 wrecking trucks for Army Ordnance Department.
Do.....	do.....	The Hug Co.....	Aug. 23	Sale: Reconstruction Finance Corporation..... Bank.....	30,800 30,800	Manufacturing trucks and road building equipment.	Working capital to finance the manufacturing of 7 heavy-duty trucks for Tennessee Valley Authority in connection with erection of new aluminum plant as part of national defense program.
Do.....	O'Fallon.....	(Independent Engineering Co., Inc.)	July 10	Deferred: Reconstruction Finance Corporation..... Bank.....	8,750 8,750	Manufacturing gas cylinders, gas tanks, etc.	\$15,500 toward construction of plant addition; \$2,000 for debt payment. Has Government contract for cylinders.
Iowa.....	Cedar Rapids.....	Universal Crusher Co.	Aug. 23	Deferred: Reconstruction Finance Corporation..... Bank.....	75,000 25,000	Portable rock-crushing units, loading plants and allied equipment, etc.	Machinery and equipment, \$42,000; working capital, \$16,000; debt payment, \$42,000. Will complete order from Rock Island Arsenal.
Massachusetts.....	Boston.....	Daniel Russell Boiler Works, Inc.	Aug. 21	Loan.....	11,800	Manufacturing and repairing boilers.	Working capital, \$10,720; tool changes, \$1,080; to help finance Navy contract for 108 float buoys.
Do.....	Fall River.....	Society Club Hats Corporation.	July 22	do.....	40,000	Manufacturing men's felt hats and Army campaign hats.	Working capital. Is completing Army order for 74,000 campaign hats.
Do.....	New Bedford.....	Palmer Scott & Co., Inc.	July 31 ²	Sale: Reconstruction Finance Corporation..... Bank.....	25,000 25,000	Boat builders and Navy architects.	\$48,000 for working capital to complete Navy contract for 14 aircraft rescue boats; \$2,000 for new equipment.
New Jersey.....	Berkeley Heights.....	Essex Specialty Co., Inc.	July 10	Loan.....	25,000	Manufacturing smoke bombs, flares, fireworks, etc.	Working capital to complete Navy contract for 20,000 aircraft float lights.
Do.....	Elizabeth.....	Service Machine Co.	July 24	Deferred: Reconstruction Finance Corporation..... Bank.....	17,500 17,500	Machine shop. Manufacturing tools, dies, etc.	\$7,000 for debt payment; \$8,000 for working capital. Is working on Government order for gun sights for rifles.

¹ Subsequently withdrawn or canceled in full.

² Aug. 28 as sale.

LIST 1.—Defense: Loans and participations authorized under act of June 25, 1940—Continued

State	City	Name	Date authorized	Type (loan or participation)	Amount authorized	Type of industry	Purpose
New Jersey	Red Bank	Electrical Industries Manufacturing Co., Inc.	Aug. 14	(Sale: Reconstruction Finance Corporation. Bank	\$29,700	Manufacturing electrical and mechanical apparatus.	Working capital, including financing of Coast Guard order and 4 shipyard orders.
New York	Brooklyn	M. T. Davidson Co.	Aug. 26	Loan	3,300 35,000	Manufacturing steam and centrifugal pumps.	Working capital to complete Navy contracts for 32 electrically driven centrifugal pumps and 4 steam-driven reciprocating pumps.
Do.	College Point	Edo Aircraft Corporation.	Aug. 23	(Deferred: Reconstruction Finance Corporation. Bank	300,000 100,000 19,000	Manufacturing aircraft parts and seaplane pontoons.	Working capital, \$175,000; machinery and equipment, \$75,000; debt payment, \$150,000. Will finance Navy contract for seaplane pontoons.
Do.	New York	Chayes Dental Instrument Corporation.	Aug. 5	Loan	100,000	Manufacturing precision instruments and specialties.	New equipment to complete Navy contract for 300 straight handpieces and 400 contra angles.
Ohio	Canton	Diebold Safe & Lock Co.	July 31	do.	175,000	Armor plate and specialties; bank vaults, metal doors, etc.	Toward new machinery and equipment for armor plate to fill contract with White Motor Co. for 1,057 Army scout cars. To build and equip new plant.
Do.	Hamilton County	Wright Aeronautical Corporation of Ohio.	Aug. 7	do.	37,000,000	Manufacturing aircraft motors.	
Pennsylvania	Butler	American Bantam Car Co.	Aug. 8	do.	125,000	Motor vehicles	Working capital for production of 70 reconnaissance cars for War Department.
		Total, through Aug. 26, 1940.			38,287,900		
Nebraska	Omaha	Scott Manufacturing Co.	Aug. 28	Loan	6,000	Manufacturing tents, awnings, uniforms, etc.	Working capital. Has Army contract for 5,000 tents.
		Total, through Aug. 28.			38,293,900		
New Jersey	Newark	Codeco, Inc.	Aug. 30	Loan	15,000	Manufacturing communication equipment (receiving equipment, etc.).	Working capital to complete contracts with Signal Corps and Civil Aeronautics Authority.
Virginia	Richmond	Reynolds Metals Co.	do.	do.	15,800,000	Metal foil, thermostats, etc.	\$11,500,000 to acquire and construct facilities to produce aluminum ingots; \$2,019,500 for expenses incidental to acquisition of facilities for production of aluminum alloy; \$2,280,500 for debt payment.
Massachusetts	Boston	Aircraft Engine Development, Inc.	do.	do.	15,000	Aircraft engines	Working capital for development of aircraft engine for Navy.
		Total, through Aug. 30.			54,123,900		
New York	New York	Duro Wear Shirt Co., Inc.	Sept. 3	(Deferred: Reconstruction Finance Corporation. Bank	7,500 7,500	Manufacturing men's shirts.	Working capital to assist financing Army contract for 144,000 shirts.
		Total, through Sept. 3.			54,138,900		
Massachusetts	South Boston	McCulloch Manufacturing Co.	Sept. 13	Loan	12,000	Machine shop	\$1,500 for machinery and \$9,000 for working capital, in connection with Army contract for rifle parts. Also \$1,500 to pay taxes.
		Total, through Sept. 13.			54,150,900		

LIST 2.—Defense: Stock purchases authorized under act of June 25, 1940

State	City	Name	Date authorized	Type	Amount authorized	Purpose
District of Columbia	Washington	Defense Plant Corporation	Aug. 22	Stock purchase	\$1,000,000	Plant equipment, and machinery, particularly for manufacture of airplanes, engines, and parts.
Do.	do.	Metals Reserve Co.	June 28	do.	1,000,000	Acquire strategic materials.
Do.	do.	Rubber Reserve Co.	do.	do.	1,000,000	Acquire rubber.
		Total, through Aug. 26, 1940.			3,000,000	
Do.	do.	Defense Supplies Corporation	Aug. 29	Stock purchase	1,000,000	Acquire high-test gasoline for War and Navy air services.
		Total, through Aug. 30, 1940.			4,000,000	
Do.	do.	Metals Reserve Co.	Sept. 7	Stock purchase	1,000,000	Acquire strategic materials.
		Total, through Sept. 7, 1940.			5,000,000	

LIST 3.—Defense: Conditional agreements outstanding under the act of June 25, 1940

State	City	Name	Date authorized	Type	Amount authorized	Type of industry	Purpose
California	San Diego	The Consolidated Aircraft Corporation.	Sept. 13	Loan	\$12,300,000		
District of Columbia	Washington	Defense Plant Corporation.	Aug. 23 ¹	Stock purchase	4,000,000		
Do	do	do	Sept. 13	Loan	25,000,000		
Do	do	Defense Supplies Corporation.	Aug. 29	Stock purchase	4,000,000		
Do	do	do	Sept. 2 ¹	Loan	50,000,000		
Do	do	do	do	do	3,250,000		
Do	do	Metals Reserve Co.	June 28	do	100,000,000		
Do	do	do	do	Stock purchase	3,000,000		
Do	do	Rubber Reserve Co.	Aug. 19	Loan	140,000,000		
Do	do	do	Aug. 28	do	4,000,000		
Indiana	South Bend	Bendix Aviation Corporation.	Aug. 22	Stock purchase	18,587,855	Aircraft parts; automobile parts.	Plant expansion and equipment.
Iowa	Davenport	Unnamed manufacturers of machine tools.	July 22	do	10,000,000	Machine tools.	
New York	Bethpage, Long Island.	Grumman Aircraft Engineering Corporation.	Sept. 11	do	3,500,000		
Do	Buffalo	Curtiss-Wright Corporation.	Aug. 14	do	34,000,000	Airplane manufacturing.	Buy land and build plants for manufacturing airplanes at Buffalo, St. Louis, and Columbus, Ohio.
Do	do	do	Aug. 14	do	15,000,000	do	Working capital for manufacturing of airplanes.
Do	do	Responsible cooperating companies in connection with Curtiss-Wright Corporation.	do	do	2,160,000	do	Machinery and equipment.
Washington	Seattle	Boeing Airplane Co. or any subsidiary or subsidiaries.	Aug. 22 ¹	do	10,500,000	do	Acquire plant sites, construct buildings, and install machinery and equipment for manufacturing airplanes at Wichita and Seattle.
		Wright Aeronautical Corporation or its subsidiaries and responsible cooperating companies.	July 26	do	35,000,000	Aircraft, motors.	Labor, materials, and other necessary expenses in manufacture of motors.
		Responsible cooperating companies in connection with Wright Aeronautical Corporation.	do	do	20,000,000	do	Purchase of machinery and equipment and other facilities to produce necessary parts for construction of motors.
		Total, conditional agreements outstanding, Sept. 14:					
		Loans			479,297,855		
		Stock purchases			15,000,000		

¹ As of Aug. 22.² As of Aug. 30.³ As of Aug. 21.

NOTE.—The following 2 conditional agreements were later withdrawn or canceled in full, and are not shown above: Sears Saddlery Co., \$36,000 (deferred participation. Reconstruction Finance Corporation, \$27,000; bank, \$9,000). Corporation to be organized in connection with Colt's Patent Firearms Manufacturing Co., \$4,000,000 (loan).

LIST 4.—Defense loans authorized to business enterprises under section 54 but not under act of June 25, 1940

State	City	Name	Date authorized	Type (loan or participation)	Amount authorized	Type of industry	Purpose
Arkansas	Little Rock	Central Flying Service, Inc.	Aug. 23	Loan	\$6,840.00	Flying school	90 percent of purchase price of one Waco training plane. Civil Aeronautics Authority contracts.
California	Bell	{ Fred P. Glick, doing business as Fabriform Steel Products Co.	Aug. 16	{ Deferred: Reconstruction Finance Corporation.	25,000.00	{ Aircraft parts; steel specialties; precast concrete forms.	{ Working capital; machinery and equipment; and pay balance on previous Reconstruction Finance Corporation loan. Has orders from airplane manufacturing companies.
Do	Inglewood	California Flyers, Inc.	Aug. 9	Loan	13,680.00	Flying school	90 percent of purchase price of 2 Waco training airplanes. Civil Aeronautics Authority contracts.
Do	Los Angeles	Armin Fried, doing business as Fried Camera Co.	July 12	do	6,500.00	Precision machine tooling, and manufacturing motion picture equipment.	Working capital to complete Army contract for construction of optical printer.
Do	Van Nuys	Rankin School of Aeronautics, Inc.	Aug. 19	do	20,520.00	Flying school	90 percent of purchase price of 3 Waco training planes. Civil Aeronautics Authority contracts.
Colorado	Denver	Mountain States Aviation, Inc.	Aug. 12	do	16,840.00	do	90 percent of purchase price of 1 Waco training airplane. Civil Aeronautics Authority contracts.
Do	do	Ray Wilson, Inc.	Aug. 21	do	6,840.00	do	Do.
Do	Lamar	Walter B. Higley and R. Wilmer Wright, doing business as Cub Flying Service.	Aug. 23	do	6,840.00	do	Do.
Florida	Lakeland	Lincoln Flying School, Inc.	do	{ Deferred: Reconstruction Finance Corporation.	93,750.00	{ do	{ \$93,000 to construct buildings; \$32,000 to buy equipment.
Do	Miami Beach	Embry-Riddle Co.	Aug. 19	{ Bank.	31,250.00	{ do	{ do.
				Loan	13,680.00	do	90 percent of purchase price of 2 Waco training planes. Civil Aeronautics Authority contract.

¹ Later withdrawn or canceled in full.

LIST 4.—Defense loans authorized to business enterprises under section 54 but not under act of June 25, 1940—Continued

State	City	Name	Date authorized	Type (loan or participation)	Amount authorized	Type of industry	Purpose
Georgia	Albany	Darr-Aero-Tech, Inc.	July 29	Deferred: Reconstruction Finance Corporation. Bank.	\$62,500.00	do	Construct buildings, \$83,000; buy equipment, \$36,000; working capital, \$6,000.
Indiana	Indianapolis	Rosecoe Turner Aeronautical Corporation.	Aug. 7	Loan	62,500.00 60,000.00	Flying school, aircraft sales, etc.	Part cost of constructing airplane hangar, school, and administration building.
Do	do	do	Aug. 14	do	13,720.00	do	Purchase of 2 Waco training planes. Civil Aeronautics Authority contracts (90 percent of purchase price).
Iowa	Cedar Rapids	Cedar Rapids Airways, Inc.	Aug. 23 ¹	Sale: Reconstruction Finance Corporation. Bank.	\$3,420.00	Flying school	90 percent of purchase price of 2 Waco training planes. Civil Aeronautics Authority contracts.
Do	Des Moines	Iowa Airplane Co., Inc.	Aug. 12	Loan	\$3,420.00 6,860.00	do	90 percent of purchase price of 1 Waco training plane. Civil Aeronautics Authority contracts.
Kansas	Wichita	Rawdon Bros. Flying Service.	Aug. 21	do	6,840.00	do	Do.
Maine	Waterville	Airways, Inc.	Aug. 12	do	27,540.00	do	90 percent of purchase price of 4 Waco training planes. Civil Aeronautics Authority contracts.
Maryland	Baltimore	Baltimore School of Aeronautics, Inc.	July 15	do	6,840.00	Airport and flying service.	Purchase 1 Waco training plane. Civil Aeronautics Authority contracts.
Do	Berwyn	Frederick W. H. Schrom.	July 26	do	8,700.00	Airport; flying school.	Do.
Massachusetts	Lynn	Lucie J. James, doing business as James Contract Stitching Co.	Aug. 14	do	3,000.00	Contract stitching of shoes, leather, heavy fabrics.	Working capital, to complete Army contract for 25,000 pairs of canvas leggings.
Michigan	Pontiac	C. W. Grimes and Frank Wignall, doing business as Land O'Lakes Flying Service.	Aug. 12	do	10,500.00	Flying school; aircraft sales.	\$8,000 to build hangar, etc.; \$2,500 for debt payment. Has Civil Aeronautics Authority contracts.
Mississippi	Jackson	Mississippi Institute of Aeronautics, Inc.	July 17	Deferred: Reconstruction Finance Corporation. Bank.	60,000.00	Flying school	Purchase and development of air field, and construction of buildings.
Missouri	Kansas City	Ong Aircraft Corporation.	Aug. 19	Loan	40,000.00 \$13,680.00	do	90 percent of purchase price of 2 Waco training planes. Civil Aeronautics Authority contracts.
Do	Sikeston	Missouri Institute of Aeronautics, Inc.	July 17	Deferred: Reconstruction Finance Corporation. Bank.	\$60,000.00	do	Purchase and development of air field and construction of buildings.
Nebraska	Lincoln	Lincoln Aeronautical Institute, Inc. (canceled on Aug. 22, and new deferred participation authorized on Aug. 23) to Lincoln Flying School, Inc., Lakeland, Fla.).	do	Deferred: Reconstruction Finance Corporation. Bank.	\$56,250.00 \$18,750.00	do	For relending to Lincoln Flying School for buildings and equipment for new school at Lakeland, Fla., Government contracts expected.
New York	Brooklyn	Flying Service, Inc.	Aug. 14	Loan	48,000.00	Flying school	90 percent of purchase price of 6 training planes. Civil Aeronautics Authority contracts.
Do	Mineola	Hangar Services, Inc.	Aug. 12	do	6,800.00	do	90 percent of purchase price of 1 Waco training plane. Civil Aeronautics Authority contracts.
Oregon	Portland	Portland Flying Service.	Aug. 19	do	6,885.00	do	Do.
West Virginia	Huntington	Howard O. Mayes, doing business as Mayes' Field.	do	do	6,885.00	Flying school; airport.	Do.
Wisconsin	Milwaukee	Milwaukee Airways, Inc.	Aug. 12	do	6,840.00	Flying school	Do.
		Total, through Aug. 26, 1940.			903,430.00		
Illinois	Peoria	Dewitt Collins, doing business as Peoria Flying Service.	Aug. 28	Loan	\$6,885.00	Flying school, and charter and repair service.	Do.
		Total, through Aug. 28.			910,315.00		
California	Santa Monica	Huchendorf and Lyle Flying Service, Inc.	Aug. 30	do	13,770.00	Flying school	90 percent of purchase price of 2 Waco training planes. Civil Aeronautics Authority contracts.
Kansas	Manhattan	Manhattan School of Aeronautics, Inc.	do	do	6,885.00	do	90 percent of purchase price of 1 Waco training plane. Civil Aeronautics Authority contracts.
Missouri	St. Joseph	Missouri Valley Airways, Inc.	do	do	13,770.00	do	90 percent of purchase price of 2 Waco training planes. Civil Aeronautics Authority contracts.
Georgia	Atlanta	Southern Airways Sales Company, Inc.	do	do	6,840.00	do	90 percent of purchase price of 1 Waco training plane. Civil Aeronautics Authority contracts.
		Total through Aug. 30.			958,420.00		
Missouri	Robertson	Robertson Aircraft Corporation.	Sept. 3.	do	11,785.00	Flying school; airplane service and repair.	90 percent of purchase price of 9 Piper Cub airplanes. Civil Aeronautics Authority contracts.

¹ Sept. 9 as sale.² Loan originally authorized for \$13,600. On Sept. 9, \$6,760 was rescinded, and the remaining \$6,840 was changed to sale of participation.³ Of this amount, \$900 was subsequently canceled.⁴ Subsequently withdrawn or canceled in full.

LIST 4.—Defense loans authorized to business enterprises under section 54 but not under act of June 25, 1940—Continued

State	City	Name	Date authorized	Type (loan or participation)	Amount authorized	Type of industry	Purpose
South Carolina	Greenville	Southern Airways, Inc.	Sept. 3 ⁴	(Deferred: Reconstruction Finance Corporation. Bank)	\$5,163.75	Flying school	90 percent of purchase price of 1 Waco training airplane. Civil Aeronautics Authority contracts.
Kansas	Wichita	Lloyd A. McJunkin	Sept. 3	Loan	1,721.25	do	Do.
Missouri	St. Joseph	Pony Express Airways & College, Inc.	do	do	6,885.00	do	90 percent of purchase price of 2 Waco training planes. Civil Aeronautics Authority contracts.
					13,770.00		
		Total, through Sept. 3.			997,745.00		
Georgia	Macon	Raymond Aviation School.	Sept. 4	Loan	6,885.00	Flying school	90 percent of purchase price of 1 Waco training plane. Civil Aeronautics Authority contracts.
Iowa	Des Moines	Iowa Airplane Co.	do	do	13,770.00	do	90 percent of purchase price of 2 Waco training planes. Civil Aeronautics Authority contracts.
		Total, through Sept. 4.			1,018,400.00		
Colorado	Denver	Ray Wilson, Inc.	Sept. 6	Loan	6,885.00	do	90 percent of purchase price of 1 Waco training plane. Civil Aeronautics Authority contracts.
Maryland	Rockville	Congressional School of Aeronautics, Inc.	do	do	6,885.00	do	Do.
Michigan	Detroit	Harting Aircraft Corporation.	do	do	6,000.00	do	Do.
New York	Mineola, Long Island.	Dervend Flying School, Inc.	do	do	13,770.00	do	90 percent of purchase price of 2 Waco training planes. Civil Aeronautics Authority contracts.
		Total, through Sept. 6.			1,051,940.00		
Do	Brooklyn	Deane Flying School	Sept. 9	Loan	20,655.00	do	90 percent of purchase price of 3 Waco training planes. Civil Aeronautics Authority contracts.
Kansas	Lawrence	Ashcraft Bros. Flying Service.	do	do	6,885.00	do	90 percent of purchase price of 1 Waco training plane. Civil Aeronautics Authority contracts.
		Total.			1,079,480.00		
		Less: 2 amounts rescinded on Sept. 9.			13,600.00	(Cedar Rapids Airways, Inc., and Mountain States Aviation, Inc.)	
		Total, through Sept. 9.			1,065,880.00		
California	Sacramento	Browne Flying Service	Sept. 11	Loan	6,885.00	Flying school	Do.
Idaho	Pocatello	E. E. Hanson, doing business as Idaho Southern Air Service.	do	do	13,770.00	do	90 percent of purchase price of 2 Waco training planes. Civil Aeronautics Authority contracts.
Florida	Miami	Jack Quinn, Inc.	Sept. 11	(Sale: Reconstruction Finance Corporation. Bank)	15,000.00	General contracting	Working capital to assist financing construction of naval air training base at Opa Locka, Fla.
					10,000.00		
		Total, through Sept. 11.			1,111,535.00		
Washington	Tacoma	The Gehri Company, a copartnership.	Sept. 13	Loan	7,000.00	Sheet metal and air conditioning.	Working capital to assist financing subcontract for sheet metal and heating for temporary mobilization buildings.
Indiana	West Lafayette	Purdue University Airport.	do	do	6,000.00	Flying school	90 percent of purchase price of one Waco trainer airplane. Civil Aeronautics Authority contracts.
		Total through Sept. 13.			1,124,535.00		

⁴ Sept. 4 as deferred.

Mr. TAFT. Mr. President, I wish to discuss briefly the proposed addition to the lending power of the Reconstruction Finance Corporation. That matter was not before the Senate committee at the time we considered the Export-Import Bank bill. That bill, as it passed the Senate, merely authorized the Reconstruction Finance Corporation to borrow \$500,000,000 more to finance loans to South America. The House bill provided, in addition to that, another billion dollars. So the bill as agreed to in conference provides for additional lending power to the Reconstruction Finance Corporation of \$1,500,000,000, which, of course, may be used for any of the purposes of the Reconstruction Finance Corporation. It is not limited in any way to loans to Latin America

or even to defense loans. Its purpose is apparently primarily for defense loans.

So far as I know, no definite showing has been made that the amount asked for is needed. No such showing as is usually made to the Appropriations Committee when it is necessary to appropriate money has been made, and yet the loans of the Reconstruction Finance Corporation for national defense are exactly the same as appropriations. They are said to be loans, but we really have stepped beyond the lending power of the Reconstruction Finance Corporation, and we are in effect appropriating money for what is done. Take the \$92,000,000 loan to the Wright Aeronautical Corporation. A subsidiary corporation is created, to which the \$92,000,000

is loaned. So, as a matter of fact, a plant is built which in effect belongs to the Government, unless when we get through with this thing the Wright Aeronautical Corporation itself shall decide that it wishes to buy the plant from the Government. So really the so-called loans are appropriations. No showing has been made to any committee of the need for \$1,000,000,000. When the matter came up before our committee, I suggested to Mr. Jones that we increase his borrowing power by \$500,000,000 in addition to the Export-Import Bank provision, and he said that was enough. On August 8 he testified as follows before the House committee:

Mr. JONES. My opinion is that a billion dollars, to include the bank money, would be adequate.

Mr. KEAN. That is, you would put at the bottom of that page "is hereby increased by half a billion dollars"?

Mr. JONES. Is increased by a billion. You see, it takes half a billion to take care of the bank, and that would leave half a billion, then, for the R. F. C.

Miss SUMNER. Was that limitation of a billion dollars put in the Senate bill? I notice Senator TAFT had some kind of a billion-dollar limitation.

Mr. JONES. The committee more or less agreed. Senator TAFT asked if we would be willing to limit this to a billion dollars, and I told him "Yes."

So all that any committee of the Congress has ever been asked for is half a billion dollars more than the Reconstruction Finance Corporation now has, although the conference committee agrees to an additional \$1,000,000,000. No great change has occurred since we were considering the measure. When we were considering it Mr. Jones stated that commitments had already been made for \$300,000,000 for national defense, and that the Corporation had been notified that it would need at least two or three hundred million dollars more at once. So the total now set forth by Mr. Jones is about the amount which he then foresaw, when he was satisfied with half a billion dollars.

The learned Senator from New York has said that Mr. Jones says that the Reconstruction Finance Corporation should always have a margin of \$1,000,000,000. I do not know why it should have a margin of a billion dollars. As a matter of fact, today no one knows exactly what the borrowing powers are. The Reconstruction Finance Corporation legislation is so completely confused that no one can very easily figure it out. Mr. Jones has never told us what the additional borrowing power is, and has never submitted any table. So far as I know there is no record anywhere of what the additional borrowing power of the Reconstruction Finance Corporation is, before we increase it by the proposed amount.

Laws which have been passed have authorized the Reconstruction Finance Corporation to issue a total of \$4,250,000,000 of notes, debentures, and so forth. In addition, it has been authorized to issue a great many notes for special purposes. Against that, it has required the Treasury to cancel about \$2,700,000,000 of notes which were really issued for relief purposes. Some of those items are chargeable against general appropriations, and some are chargeable against special appropriations. So I challenge any lawyer or accountant to be confident of what the additional borrowing power of the Reconstruction Finance Corporation is today. Today it has a capital of half a billion dollars. It has outstanding in the hands of the public about \$1,000,000,000 of notes. So far as I can judge, its additional borrowing power is about one and a half billion dollars, before we authorize any additional borrowing under the pending bill. I may be mistaken. Mr. Jones, when asked, in a vague way said that the additional borrowing power was about \$1,000,000,000. I do not venture to tell the Senate what the power is. I do not know. It seems to me there should be a complete revision of the Reconstruction Finance Corporation legislation, and that we ought to know, before we get through, exactly what the Reconstruction Finance Corporation can do, and how much additional borrowing power it has. If it has one and a half billion dollars additional borrowing power, then I do not see that any further authorization is needed. Mr. Jones says he thinks he has \$1,000,000,000, and about \$700,000,000 more or less committed, very little of that to be paid out before the

first of January. I believe a margin of \$300,000,000 would be sufficient.

As a matter of fact, no one connected with the Government has made any plan as to how much money is really needed for the construction of industrial plants. No plan has ever been presented to Congress. Mr. Jones has never presented any plan. The Army has never presented any plan. The Navy has never presented any plan. We are absolutely in the dark as to how much money the Government needs to lend, or how much money the Government needs to put up for additional industrial plants. As a matter of fact, we have already appropriated large sums of money to the Army and to the Navy for plants.

In Public 667 we appropriated to the Secretary of War, for the construction of plants for expediting production for military purposes, \$150,000,000 to be immediately available. There is also \$50,000,000 more contingent contract authorization. So in that bill there is \$200,000,000 for building plants.

In Public 781, which was the first supplementary military appropriation bill, we appropriated for the construction of army plants, \$162,500,000, and made contract authorizations for another \$162,500,000. So we have given the Army a total of \$525,000,000 for the construction of plants, entirely outside what we may now give the Reconstruction Finance Corporation.

In addition, in the Navy appropriation bill, in Public 588, we have given the Navy \$43,850,000 for that purpose; another appropriation of \$65,000,000; and one of \$35,000,000, all of which might be used for that purpose, and may be used for other purposes, or a total of \$143,850,000. So, apparently, for the construction of plants, we have appropriated more than \$643,000,000; and now Mr. Jones wants another billion dollars.

I do not venture to say that he is right or wrong. All I say is that no data have been submitted to the Congress as to what the plan for the construction of plants is. No data have been submitted to the Congress as to just what the borrowing power of the R. F. C. is. No data have been submitted to the Congress as to just what the \$1,000,000,000 will be used for. So it seems to me that we are again asked to vote blindly. I do not want to delay anything. This bill would not delay anything, because the Reconstruction Finance Corporation certainly has four or five hundred million dollars left, beside the unused appropriations which have gone to the Army and Navy.

The purpose of the tax bill which has been passed is to get as much private capital into this thing as possible. So, in addition to all the Government is being asked to put in, we are trying by the tax bill—the amortization provisions and the provisions with regard to the Vinson-Trammell Act—to induce private capital to take a very large proportion of the additional defense need. It seems to me perfectly clear that before we approve the bill we ought to have a schedule showing at least the general nature of the improvements which are proposed to be made, whether they are to be made through loans or whether the Government is to build the plants. It seems to me that \$500,000,000 is sufficient to give any department at any time in the form of a blank check. Congress will return in plenty of time to add another half billion dollars if it should be needed. Five hundred million dollars is all Mr. Jones asked for; and personally, I think he would be entirely satisfied with it. Therefore, I feel that the conference report should be rejected.

Mr. WAGNER. Mr. President, I shall not delay the vote except to say one or two things about which I think the Senator from Ohio is really too complacent, considering the critical situation which confronts the country at the present time and our desire to prosecute as quickly as possible a program of total national defense.

So far as financing is concerned, I will take the authority of Mr. Jones as against the authority of the Senator from Ohio. I shall not read it, but I have before me an article from Fortune magazine for May 1940, which made a detailed study

and survey of the activities of the R. F. C. Those who have read it will remember it paid an eloquent tribute to Mr. Jones as illustrating the highest degree of efficiency and competency in constructive and conservative financing, superior to that known in any other governmental experience.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. TAFT. I do not desire to be understood in any way as questioning Mr. Jones' ability or the fact that he will handle well any money placed in his hands. My opinion of Mr. Jones will not be increased by the endorsement of Fortune magazine.

Mr. WAGNER. Not only Mr. Jones, but the National Defense Council, which we have put in charge and have trusted to carry out and vigorously prosecute our national-defense program, communicated with the conferees, as they did with the committee of the House, and stated that additional R. F. C. commitments in substantial amounts would be needed properly to prosecute the program and to provide for all contingencies.

The R. F. C. was directed by Congress to make loans for national defense and 12 other purposes. I do not need to enumerate them all, but, beginning with agriculture, they include capital loans to banks, loans to open closed banks, loans for railroads, for self-liquidating projects, and so on.

Mr. Jones has explained why he needs a large margin. It is because the demands are apt to come in at any time; they may be concentrated; the retirements may not come in as rapidly as the new loans are made. Mr. Jones might well be put in a position where he was unable to carry out the wishes of Congress.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. BARKLEY. With reference to the matter of inducing private capital into enterprises of this sort, while it is true there is an indirect Government obligation involved, the R. F. C. obtains its capital from private sources by the sale of its obligations, and therefore, draws into its coffers from private sources money which it furnishes the Export-Import Bank. Am I correct about that?

Mr. WAGNER. Yes.

Mr. BARKLEY. So there is no direct draft on the Treasury for the amount of money involved. It all comes from private sources.

Mr. WAGNER. Of course. These are all loans.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. TAFT. I merely wish to point out that the R. F. C. borrows on the credit of the United States, and that, as a matter of fact, the money which comes to the R. F. C. does not come from private sources any more than the \$6,000,000 deficit of the Government next year will come from private sources.

Mr. WAGNER. I think the Senator is mistaken. Many of these securities are sold to the public. The R. F. C. has been so conducted that it is now making a profit, as the article in Fortune magazine has pointed out, of between 3 and 4 percent. So it is a money-lending institution which has a very creditable record.

Mr. BARKLEY. Mr. President, will the Senator permit me to interrupt him there?

Mr. WAGNER. Yes.

Mr. BARKLEY. So much so that a part of the original \$500,000,000 provided for the R. F. C. has become available for return to the Treasury.

Mr. WAGNER. Yes.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. VANDENBERG. I desire to ask a question for information. I have been greatly interested in the work sheets which the Senator has presented from Mr. Jones sustaining his need for the additional billion dollars, and I wish to be sure that I understand the status of some of the items. For instance, heavy loans are made to the Metal Reserves Co. and to the Rubber Reserves Co., running up to a hundred or

two hundred million dollars. Is that the equivalent of a Government investment in strategic materials?

Mr. WAGNER. Yes.

Mr. VANDENBERG. Is that in addition to the appropriations which Congress has made for the purpose of purchasing strategic materials?

Mr. WAGNER. Does the Senator mean appropriations outside the authorizations to the R. F. C.?

Mr. VANDENBERG. Yes.

Mr. WAGNER. Yes; it is.

Mr. VANDENBERG. In other words, Congress has been asked to provide appropriations to buy strategic materials, and we have made the appropriations, I assume, on the theory that we were meeting the necessity. Now, do I understand that the R. F. C. is to be used to make additional purchases which ordinarily would be financed through appropriations but which are now to be financed through the R. F. C.?

Mr. WAGNER. The Senator may recall the discussion upon the floor on the bill which was considered some 3 months ago, authorizing the R. F. C. to make loans for national-defense purposes. One of the purposes enumerated included the purchase or storage of supplies of strategic materials necessary for the national defense. At that time we discussed the question whether the two ways or methods should be utilized in order to acquire sufficient strategic and critical materials for national-defense purposes.

Mr. VANDENBERG. I recall that discussion.

Mr. WAGNER. And the authorization was voted. So there is a prior authorization for these transactions.

Mr. VANDENBERG. I recall that. So my question comes down to this: That a substantial portion of this billion-dollar authorization is, in effect, the equivalent of additional direct appropriations for the purposes indicated?

Mr. WAGNER. Yes. The Senator is correct about that, and the Senate discussed that question sometime ago.

The only appeal I desire to make to the Senate is that we trust and have confidence in the officials who have been selected to carry out our program, such as the National Defense Council and the R. F. C., whose responsible officers tell us that this increased authorization is necessary.

The Senator has stated that Mr. Jones did not have all the plans or commitments when he appeared before us. Of course, he did not, for each day the National Defense Council finds some additional need, either for expanding a plant or producing something that requires financial aid from the R. F. C. The loans definitely contemplated in the near future will exceed \$700,000,000; and, from what I am given to understand, they may well exceed the billion-dollar mark. If this report is not adopted the R. F. C. will be left high and dry, unable to continue its financial aid in our defense program, and that program itself will be crippled at this very critical point in its development. I am sure no Senator wants to take that responsibility.

Mr. ADAMS. Mr. President, the conference report was as much of a surprise to some members of the Banking and Currency Committee who had such great admiration for and confidence in the ability of the conferees. We did not expect them to be overwhelmed by a group from the other House. We know, of course, that they did everything that was humanly possible to sustain the Senate, but I was amazed when I found that this strong, able group had been overwhelmed.

Mr. WAGNER. Mr. President, will the Senator yield there?

Mr. ADAMS. I yield.

Mr. WAGNER. If the conferees on the part of the Senate were overwhelmed at all, it was by the evidence that was presented to us at the time we were in conference by communications from Mr. Jones on behalf of himself and the National Defense Council, showing the need for this added sum for national-defense purposes. They persuaded the committee that the need existed and that it ought to be provided for.

Mr. ADAMS. Mr. President, here are conferees appointed by the Senate for a particular purpose, namely, to go into

conference to sustain the position of the Senate. I say that, in my own judgment, a committee of conference has no right to go outside and solicit other information and take other evidence that was not presented to the Senate Committee on Banking and Currency. But it seems that the conferees on the part of the Senate set themselves up as an independent senatorial committee and disregarded the action of the Senate because they received information outside from other sources which was not available to the Senate. If other information came to them which indicated that the committee was wrong and the Senate was wrong, the bill should have been sent back to the original committee to pass upon that question.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. WAGNER. I know the Senator is perfectly sincere in what he is now asserting.

Mr. ADAMS. The Senator is correct in his statement.

Mr. WAGNER. But I recall that time and time again he, as a member of conference committees on appropriation bills, yielded because he was overwhelmed by the arguments of the other side, and did not come back and ask the Senate for further instructions. That, as I recall, has happened as to many items of appropriation bills on which the Senator was one of the conferees. I found no fault, because I felt sure the conferees acted wisely and intelligently. So we did in this instance, and I think, under all the circumstances, we followed a very wise and patriotic course. As a matter of fact, the conferees agreed unanimously.

Mr. ADAMS. Mr. President, the Senator is partly correct. I have served upon a good many conference committees when there have been literally hundreds of items in dispute and as a member of the Senate conference committee I have receded in the face of persuasion from the House and obstinate insistence; but never, never upon any conference committee has evidence been presented from outside sources to a conference committee of which I was a member; never have I been upon a conference committee that set itself up as a proper body to receive evidence and testimony in addition to that presented to the original committee.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. BARKLEY. Is there any rule of the Senate or the other House, or any practice which has been followed consistently, that prohibits a conference committee from obtaining information pertaining to the matters which are in difference between the two Houses?

Mr. ADAMS. Mr. President, I will say to the Senator that I know of nothing in the wording of the rule to that effect. I think, however, that the entire practice, the entire purpose, the entire theory of a conference is that the conference committee represents the body which appoints it to present those things and only those things of which that body had knowledge; and I do not think a conference committee has any right to set itself up as an independent body to take additional evidence and then act upon that other evidence, rather than upon the basis of the information upon which the Senate committee and the Senate itself acted.

Mr. BARKLEY. Mr. President, if the Senator will further yield—

Mr. ADAMS. Certainly.

Mr. BARKLEY. Of course we all realize that when there are differences between the two Houses there has to be yielding on the part of one, and usually on the part of both, in order to arrive at a conclusion. While I have never advocated or felt that a conference committee should open up matters for public hearings, I have always felt that the conferees of either the House or the Senate had a legitimate right to obtain, from any available source, information which might be of value to them in determining how far to yield, or whether to yield at all, on matters on which there was a difference between the two Houses.

Mr. ADAMS. I am willing to acquiesce in the views of the majority leader. I merely am expressing surprise. As I say, here is the great chairman of the Banking and Currency Committee, an ex-judge, one of the outstanding men

not only in the Senate but in the Nation; and then here is the majority leader, and here are the Senator from South Carolina [Mr. BYRNES], the Senator from Delaware [Mr. TOWNSEND], and the Senator from Connecticut [Mr. DANAHER]. I was more amazed when the Senator from Connecticut yielded than in the case of almost anybody else.

Mr. DANAHER. Mr. President, will the Senator yield now?

Mr. ADAMS. Certainly.

Mr. DANAHER. I am happy to have the Senator from Colorado yield; and I stand before him with some obeisance, let me say, at the moment.

In view of the fact that my name has been mentioned by the doughty Senator from Colorado, I think it no more than fair to remark that the Senator from Connecticut talked in the conference committee to the point where I think even the chairman of the Senate conferees felt that the junior Senator from Connecticut had become a nuisance. I opposed the House bill to such a point that it was more than half an hour after everybody else had left the conference that finally, after starting with the original R. F. C. Act and Mr. Wood, our legislative counsel, and reviewing every single amendment from 1935 down to date, I reluctantly agreed that as a conferee I apparently was bound to go along with the conference report.

Mr. ADAMS. That is to say, the Senator from Connecticut was overwhelmed by his colleagues on the Senate conference committee, and then the Senate conferees were overwhelmed by the House conferees.

Mr. DANAHER. I was overwhelmed by this situation: As a matter of principle I was opposed to the Export-Import Bank extension idea as contemplated by this bill, and believed that we should not make these loans to South American countries, and I voted against the bill. I voted against it in committee; I voted against its coming out on the floor at all; but the Senate having expressed its desire, having accepted that principle and having voted for it, necessarily the Senator from Connecticut was bound to express the sense of the Senate in that particular.

The Senator from Connecticut sought to limit to \$50,000,000 the maximum of any such loans to any one country; and again a great many Senators shared my judgment and, as I recall, there were some 22 or 23 Senators who favored that amendment. Nonetheless, the sense of the Senate in its concerted wisdom, by a majority of numbers at least, was sufficient to overwhelm the Senator from Connecticut and his idea; and once more, then, the principle of an unlimited loan to any South American country was written into the plan of the bill.

When we had the amendment to section 5 (d) of the bill before us in June, and we then authorized the R. F. C. to build plants, the Senator from Connecticut was more or less vociferous in seeking limitations, and language of limitation was written into the bill at that time; but the Senator from Colorado will remember that the Senate voted for that particular extension of power to the R. F. C., but did not vote any funds for them to carry out the plan. Therefore we were bound, as it seemed to me, to do what we could to implement the R. F. C. to execute the will of the Senate; and at that point—and at that point only—does the question of amount become material.

When the matter was before us in the Senate Banking and Currency Committee, as the record of the Senate hearings will show, the Senator from Ohio [Mr. TAFT] felt that we ought to give the R. F. C. a billion dollars. The House had already voted an increase of a billion dollars. The \$500,000,000 of R. F. C. money for the Export-Import Bank as contained in the bill before us also is in the bill as reported by the conference committee. Consequently the allocation of \$500,000,000 is identically the same in the conference report and in the bill. So far as the remaining sum of \$1,000,000,000 is concerned, there is no appropriation, and the Senator from Colorado knows it. It is an authorization to the R. F. C. to issue its securities for the purpose of making loans

in whatever amount may be necessary, first, to carry out what the Senate said must be done; second—

Mr. ADAMS. Pardon me; let me interrupt the Senator.

Mr. DANAHER. Yes; I will.

Mr. ADAMS. Let the Senator proceed, though I believe I had the floor.

Mr. DANAHER. The Senator had yielded, had he not?

Mr. ADAMS. Yes, sir. I am still yielding.

Mr. DANAHER. I thank the Senator. I hope he will be overcome presently.

Let me point out, then, that we had first to implement the R. F. C. to carry out the will of the Senate insofar as granting them an extension of power to build plants was concerned; and, second, to replenish their available sums in order to execute the general purposes of the R. F. C. the difference was represented as being necessary.

The House having voted for it, the Senate having never had the matter before it, there being a conflict between the two, and the Senator from Connecticut having been overwhelmed in the light not only of his own logic but of that of the chairman of the Senate Committee on Banking and Currency, and the House Members having in the aggregate uniformly, without even one moment's faltering, refused to accept the motion of the Senator from Connecticut that we take the Senate bill secondly, the Senator from Connecticut sought to get the committee of conference to accept a billion dollars as a compromise. No; we could not get away with that, as it happened. The Senator from South Carolina [Mr. BYRNES] was very assiduous in suggesting a compromise of \$1,250,000,000. Let me say to the Senator from Colorado that it got down to a point where we were trading; and when we balked about a mere quarter of a billion dollars with Jesse Jones in the balance, we just surrendered. [Laughter.]

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. ADAMS. Yes, sir.

Mr. WAGNER. I do not want the Senator from Connecticut to have any idea in his mind that I regarded him as a nuisance. I am sure the Senator could not have meant that, because I not only regard him as my friend but I have great admiration for his ability and his infinite capacity for hard work; and our committee always looks to him for wisdom and for guidance in its deliberations.

Mr. DANAHER. I thank the Senator.

Mr. BARKLEY. Mr. President—

Mr. ADAMS. I will yield in a moment.

Mr. President, I have had an opportunity to some extent to turn over these matters in my mind while I have been standing here. If, perhaps, I have seemed to criticize the conferees, I desire to withdraw the criticism and to accept their explanations, because before the committee we had no testimony which would justify this billion-dollar increase; and I think perhaps the Senate Committee on Banking and Currency should apologize to the conferees because of our action. We merely acted upon the information we had. The conferees having additional information, the conferees having acted for what they thought was the welfare of the country, I am not criticizing them. I question somewhat the method of getting information so important as this, involving upon a \$500,000,000 measure an increase of \$1,000,000,000; but it puts the remaining Members of the Senate Banking and Currency Committee and the Senate in a rather bad light to have it appear that we would have denied to the R. F. C. the needed billion dollars. We did not know of these things. Mr. Jones did not tell us he needed this amount. The Council of National Defense did not come before us and say that it was needed; so I think perhaps we should ask the pardon of the Senate for coming here ill-informed.

Mr. WAGNER. Mr. President, will the Senator yield at that point?

Mr. ADAMS. Yes, sir.

Mr. WAGNER. I attempted to state, earlier in the discussion of this matter, that our committee did not have these matters before them. If they had, I am sure they would have acted differently. These matters came up afterward.

The hearings of the House committee were later than ours. They had some evidence, and then in conference both of us received evidence of which neither committee had the benefit. The Senate now understands where this information came from, and why this money is needed, and the Senate has a right to reject what the conferees have done if the Senate feels that we have acted unwisely. I think we acted wisely, and I think we acted for the best interests of the country; but it is something finally for the Senate to decide.

Mr. ADAMS. Mr. President, I wish to say a word or two about what I think are the merits of the situation. I am not complaining. I questioned the propriety of this concession.

The R. F. C. was created as an instrumentality for civil purposes, in order to stimulate industry under certain conditions, to make loans to mining, to bankers, perhaps to agriculture, limited strictly to the making of civil loans. It was to act in a banking capacity. The loans which it made were specifically required to be made upon adequate security. The record which Mr. Jones has made has been made in pursuance of the limitation placed upon him that when he made loans he would make good loans.

We are diverting the purposes of the R. F. C. This is not the first time. We have done it before, but that does not make it right. We are diverting the purposes of the R. F. C. into the field of the War Department; we are diverting them into the field of the Committee on Appropriations. We are told that certain things should be done for national defense, therefore that we should give to Mr. Jones, to the R. F. C., vast sums of money, to be loaned to unknown individuals, for unknown purposes, authorize them to create corporations which have no capital and no resources except that which they derive from the R. F. C.

I will give an instance. A company engaged in the manufacture of airplanes incorporates an independent company which has not one nickel of assets. The R. F. C. lends to the company millions of dollars, I think up to \$30,000,000. The money is used by the corporation to build a plant for the manufacture of airplanes, a thing highly desirable. Then the new corporation, whose only assets it derived from the R. F. C., leases its plant to another manufacturing company, so that if there is any profit it goes to the existing airplane factory, and if the demand for airplanes ceases, the plant belonging to the new subsidiary corporation remains always as its plant. All the R. F. C. can look to is the plant, which becomes unusable when the stress ceases. In other words, we are not lending the money to the corporation which is in existence, which has resources with which to manufacture, but we are permitting the creation of a new corporation, without assets other than that which we created. In other words, we are engaging in the manufacture of airplanes. That is perfectly proper, if we want to do it. But we come back to the reflection that the Constitution of the United States contains certain provisions. I have been severely criticized, perhaps justly, for having raised constitutional questions. I understand that in some quarters it is regarded as outrageous to do so, but some of us in the course of long years' practice at the bar have come to regard the Constitution as rather a permanent institution.

The Constitution provides that "no money shall be drawn from the Treasury but in consequence of appropriations made by law." Turning this billion dollars over to the R. F. C. is nothing but an evasion of that provision of the Constitution. If the Congress had been niggardly or careless, the situation might be different; but within a very few days we passed a bill appropriating more than \$5,000,000,000 in which vast sums were provided for the very purposes for which the R. F. C. says they need this money. The committee gave every cent that was asked by the War Department, without limitation. The representatives of the Army were asked, "Is there anything you have overlooked?" They replied, "We don't think so." As a matter of fact, that was the third time they had returned for an increase. Congress has been generous to the War Department, generous beyond anything in the history of peacetimes in any nation, when they said

to us, "We need money for this plant, that, and the other." We were generous when the Navy said, "We want fields here and there." But was there information from the R. F. C.? No. "We have a billion and a half now which we can lend. We have loaned some of it. We want another billion and a half." "What for?" "We are going to help the national defense." There is no specification to the Congress as to the purpose.

No one doubts the good intentions of Mr. Jones or of the R. F. C., but I question whether Congress can, in justice to itself, in justice to the obligation which the individual Members of Congress have taken, turn over to a corporation the power to borrow money, a power vested in the Congress, and the power to spend money, a power which is vested in Congress. I doubt whether we have a right to defy and disregard the provision that money shall be drawn from the Treasury of the United States only upon appropriations authorized by law.

Under the pending conference report we are asked to permit the R. F. C. to take money out of the Treasury of the United States. It is perfectly idle to say that the money comes from private sources. True, the R. F. C. floats a note, or a bond. It gets the money; yes. There is no difference at all in the process from that of the Treasury of the United States. It sells a bond and gets money from private sources. The credit upon which it gets the money in either case is that of the United States of America. The R. F. C. is nothing more nor less than one of the arms of the United States. Yet we are asked to permit this one arm to do things we allow no other agency of the Government to do.

For these reasons, Mr. President, I am questioning the propriety of the proposed legislation. I think it is unsound. Congress is here, and Congress should know the facts, and I do not think Congress has any right to evade its responsibility by merely saying, "Here is 1 man out of 130,000,000 to whom we can safely trust this money." I do not like to say that there are 96 men in this body and 435 in the other body of the Congress, and that we will not trust ourselves, but will give great sums over into the control of a certain man to expend, which I think violates the provision of the Constitution.

Consequently, with the utmost reluctance, and with not only respect but with great admiration for the members of the Committee on Banking and Currency, and great friendship for them, I feel compelled to vote against the conference report.

Mr. REED. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lodge	Sheppard
Andrews	George	McKellar	Shipstead
Austin	Gerry	McNary	Smathers
Bailey	Gibson	Maloney	Stewart
Barkley	Gillette	Mead	Taft
Bilbo	Glass	Minton	Thomas, Idaho
Brown	Green	Murray	Thomas, Okla.
Bulow	Gurney	Neely	Thomas, Utah
Burke	Hale	Norris	Tobey
Byrd	Harrison	Nye	Tydings
Byrnes	Hatch	O'Mahoney	Vandenberg
Capper	Hayden	Overton	Van Nuys
Caraway	Herring	Pepper	Wagner
Clark, Mo.	Hill	Pittman	Walsh
Connally	Johnson, Calif.	Radcliffe	White
Danaher	Johnson, Colo.	Reed	Wiley
Davis	King	Russell	
Downey	La Follette	Schwartz	
Ellender	Lee	Schwellenbach	

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Seventy-three Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, because of what is rather a confusion in figures, I merely wish to make clear what the figures are, and exactly what it is we are doing.

The R. F. C. today has a billion dollars of borrowing power, in addition to what it has used. We are now asked to add to that another billion dollars, so it will have \$2,000,000,000.

The letter presented by Mr. Jones referred to approximately \$700,000,000 of expenditures in sight, so we are giving the R. F. C. \$1,300,000,000 in addition to any specific expenditure the R. F. C. has asked for or suggested—\$1,300,000,000 in addition to approximately \$600,000,000 which we have appropriated for the Army and the Navy, so there will be available for the construction of national defense plants nearly \$2,000,000,000.

My suggestion to the conference committee is that \$500,000,000 less than that is more than ample, and that is the reason I am opposing the larger figure presented in the conference report.

Mr. BARKLEY. Mr. President, I do not wish to delay a vote on the conference report, but I think what the Senator from New York [Mr. WAGNER] has said should perhaps be emphasized. We have heretofore authorized the R. F. C. to make loans for national defense purposes. We have even authorized the R. F. C. to create corporations if existing private corporations are not available, in order to carry out a national-defense program.

The pending bill, in addition to making available \$500,000,000 for purposes of making defense loans in connection with Latin America, provides an additional \$1,000,000,000 of borrowing power in order to carry out the authority we have already given to the Reconstruction Finance Corporation.

It seems to me it is too late now to argue over the wisdom of the course the R. F. C. will probably pursue in regard to these matters. We have authorized the R. F. C. to do a certain thing. This measure authorizes the R. F. C. to obtain the money with which to do it. While it is always, of course, correct to state that these are indirect obligations of the Government, it so happens that the Reconstruction Finance Corporation has not been required to call on the Treasury itself for any money to carry out its vast powers of making loans to industries in the United States. If the R. F. C. in the future is as successful as it has been in the past, I think we may anticipate that there will be no direct call upon the Treasury for any of these funds.

Therefore it seems to me that in the interest of national defense, for which two-thirds of this borrowing power is created, and only one-third for other purposes, we ought not to jeopardize that program now by rejecting the conference report. Therefore I hope it will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. JOHNSON of California. I ask for the yeas and nays. The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. AUSTIN (when his name was called). On this question I have a pair with the Senator from Montana [Mr. WHEELER], who is necessarily absent. I therefore withhold my vote.

Mr. KING (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. REYNOLDS]. Not knowing how he would vote, I withhold my vote.

Mr. STEWART (when his name was called). I have a general pair with the Senator from Oregon [Mr. HOLMAN]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN], and will vote. I vote "yea."

The roll call was concluded.

Mr. AUSTIN. I announce the following pair:

The Senator from Oregon [Mr. McNARY] with the Senator from Alabama [Mr. BANKHEAD]. If present, the Senator from Oregon would vote "nay," and the Senator from Alabama, if present, would vote "yea."

I also announce the following general pairs:

The Senator from New Hampshire [Mr. BRIDGES] with the Senator from Utah [Mr. THOMAS]; and

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. CHANDLER].

The Senator from New Jersey [Mr. BARBOUR], if present, would vote "yea."

Mr. MINTON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Kentucky [Mr. CHANDLER],

the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CLARK], the Senator from Texas [Mr. CONNALLY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Mississippi [Mr. HARRISON], the Senator from Delaware [Mr. HUGHES], the Senator from Oklahoma [Mr. LEE], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], the Senator from Arkansas [Mr. MILLER], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Louisiana [Mr. OVERTON], the Senator from New Jersey [Mr. SMATHERS], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], and the Senator from Massachusetts [Mr. WALSH] are necessarily absent. I am advised that, if present and voting, the Senators named would vote "yea."

The Senator from Washington [Mr. BONE] is absent because of illness.

The Senator from Arizona [Mr. ASHURST], the Senator from Ohio [Mr. DONAHEY], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. HOLT], the Senator from Nevada [Mr. McCARRAN], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Georgia [Mr. RUSSELL], the Senator from South Carolina [Mr. SMITH], the Senator from Maryland [Mr. TYDINGS], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Montana [Mr. WHEELER] are unavoidably detained.

Mr. McKELLAR (after having voted in the affirmative). I have a pair with the senior Senator from Delaware [Mr. TOWNSEND], who is not present. I transfer that pair to the Senator from Pennsylvania [Mr. GUFFEY], and will allow my vote to stand.

The result was announced—yeas 33, nays 21, as follows:

YEAS—33

Andrews	Glass	Mead	Schwellenbach
Barkley	Green	Minton	Sheppard
Bilbo	Gurney	Murray	Stewart
Brown	Hatch	Neely	Thomas, Okla.
Byrnes	Hayden	Norris	Vandenberg
Caraway	Hill	Pepper	Wagner
Downey	La Follette	Pittman	
Ellender	McKellar	Radcliffe	
George	Maloney	Schwartz	

NAYS—21

Adams	Danaher	Johnson, Colo.	Thomas, Idaho
Bailey	Frazier	Lodge	White
Bulow	Gibson	Nye	Wiley
Burke	Gillette	Reed	
Byrd	Hale	Shipstead	
Clark, Mo.	Johnson, Calif.	Taft	

NOT VOTING—41

Ashurst	Davis	Lucas	Thomas, Utah
Austin	Donahay	McCarran	Tobey
Bankhead	Gerry	McNary	Townsend
Barbour	Guffey	Miller	Truman
Bone	Harrison	O'Mahoney	Tydings
Bridges	Herring	Overtone	Van Nuys
Capper	Holman	Reynolds	Walsh
Chandler	Holt	Russell	Wheeler
Chavez	Hughes	Slattery	
Clark, Idaho	King	Smathers	
Connally	Lee	Smith	

So the conference report was agreed to.

FACTS FOR MICHIGAN FARMERS

Mr. BROWN. Mr. President, the nomination of Henry A. Wallace, of Iowa, for Vice President brings the farm issue to the front. No man, whatever his views on the Wallace farm program may be, will question the Secretary's sincere desire to better the farmers' lot in life. The Republican nominee says he will, if elected, continue the Wallace program if a better one is not suggested. So far neither he nor his advisers have done so.

No farm program will satisfy all. It is but human to expect more than is done. We are seldom fully satisfied with our results in any of our efforts.

I now propose to give you what I have made it my business to know—the real facts on the situation of the farmer in general and the Michigan farmer in particular, as far as government affects that situation.

The facts about the farm situation can only be understood in the perspective of recent history. As a nation we

grossly overexpanded our farm production to meet the urgent needs of the World War period. We plowed up prairies that never should have felt the plow. Inspired by the war price boom, farmers sank all their capital and years of hard work in odd corners of stony, unproductive land that never could provide a decent living. Farmers on good land sowed their pastures to wheat and turned their wood lots into pastures and mined their fields for every ounce of production.

FARMERS HARD HIT

The war boom collapsed. At the same time three other important trends which had been working quietly for many years came to a head to plague our farmers. They were, first, the disappearance of the American frontier, which always before had provided new land for new farms when things got too tough on the old ones; second, technological improvements which made it possible for fewer people to raise more and left many farm folks without useful work to do; third, the disappearance of job opportunities in the city which had previously absorbed the surplus population of our farms.

So our farmers were left stranded with more produce than they could possible sell and more debts than they could possibly carry and more people than could be profitably employed. The celebrated prosperity of the twenties was always pretty much a fairy tale as far as the farmer was concerned. Even when farm prices advanced they did not go up nearly as fast as the prices of the things the farmer had to buy. So he was worse off than ever.

Thus the depression that hit the stock markets and industries after 1929 was no news to the farmer. It was just another and stronger dose of the same bad medicine he had been taking ever since the war.

YEAR 1932 THE BOTTOM

Things for the farmer, as well as most everyone else, reached bottom in 1932. But the farmer was hardest hit of all. Farm prices which, you will remember, had not risen as fast as industrial prices, fell faster. The result was that with their 1932 income farmers were able to buy only about 58 percent as many goods and services as they could in 1929.

The total cash income of all the 197,000 farm families in Michigan was only \$127,000,000 in 1932, compared with \$265,000,000 in 1929. The average Michigan price of milk was \$1.10 per hundredweight. Beef cattle sold for \$3.95 per hundredweight. Hogs brought \$3.65. Potatoes were 26 cents a bushel, for the 1932 crop, and wheat 45 cents. Wool was 9.1 cents a pound. Hay was at \$5.49 a ton. Chickens brought 11.2 cents a pound and eggs 14.6 a dozen.

In 1932, 1 out of every 20 farms in Michigan was sold by the sheriff because the farmer could not meet the payments on his mortgage.

It is not pleasant to contemplate, even in looking back, those dark days of the early thirties. But it is necessary to do so. They are facts that help explain the present picture.

We were faced by a new problem. And the fact is that we stalled and fumbled the ball and even tried to fool ourselves into believing that the problem was not really there at all.

Long before 1933 we were wrestling with our new farm problem. We tried to peg prices that would not stay pegged. The Federal Farm Board bought large quantities of wheat and cotton and other farm products. Still the farmer stayed deep in the hole.

A WELL-ROUNDED PROGRAM

Since 1933 we have tried in many new ways to solve the farmer's many problems. Some of those ways were good and have been successful. To be unpolitically frank once more, some few of them were not so good. These have been or will be changed or abandoned. But the least that can be said is that now, for the first time, we have a farm program that meets head-on every aspect of the farm problem. The best thinking of farmers, farm organizations, agricultural experts, economists, and Federal, State, and local officials have gone into making that program. Looking at it as a whole we can see just how every major farm problem has been faced.

SAVING THE SOIL

The greatest long-run need for successful farming is, of course, fertile soil. In the heedless expansion of the war period we were reckless with this basic resource; and erosion, dust storms, and floods came as a warning of what might be our national fate if that waste was not stopped.

To meet this need we now have for the first time a national program of soil conservation. In every State, through demonstration projects farmers are being shown the best ways to save their soil. They are receiving cash payments for following good conservation practices. Groups of neighboring farmers are being helped to set up soil-conservation districts so they may work together to improve their only real wealth—the soil. The West Ottawa and South Muskegon districts are examples in Michigan. Thus we are working to provide a sound foundation for the long-run well-being of all farmers and city folks, too.

CREDIT WHERE NEEDED

Another important need of farmers is credit. The best farmer in the world cannot make a living if he cannot get a reasonably good farm to work and tools and other equipment and livestock with which to work it. And lack of capital or high-interest rates can keep him from getting such a farm or take the one he has away from him.

So we have helped to provide loans at moderate rates where they were needed. Loans to buy farms and to run and improve them. Loans for seed and machinery. Loans to tide over the period between planting and the time the crops are sold. Commodity loans to stabilize the market for farm products. Loans for cooperatives and farmers' organizations. Loans for the fairly well-off farmer who wants to expand, and special loans for the man who needs a grub-stake to get himself and his family off the relief rolls.

In this whole system of credit, farmers, with the help of the Farm Credit Administration, cooperate to manage the loan associations and the banks.

Two facts indicate how well this program has worked. You will remember that every twentieth Michigan farm was sold at forced sale in 1932-33. In 1937-38 this figure was reduced by three-fourths. During the same interval, the annual number of farm bankruptcies in Michigan were cut in half.

FARM SECURITY

Another Federal lending agency, the Farm Security Administration, has loaned nearly \$7,000,000 to around 14,000 low-income farm families in Michigan since the program started in 1935. Most of these loans have been made to farmers who would have had to leave the farm and either go to town to compete with townfolks for a job or end up on W. P. A. They are good, hard-working citizens, but things have not gone so well with them as they might, and many of them couldn't make a decent living in farming without F. S. A. loans. These loans are made for such practical things needed in farming as machinery, livestock, seed, feed, and fertilizer.

Commodity loans have been made an essential part of the program through a special corporation.

There is still some room for improvement in our lending program—better coordination between the various lending agencies, loosening of credit restrictions in some cases, tightening up in others. But in general, it is safe to say that the farmer's need for credit is being met more adequately than ever before.

REMOVING THE GAMBLE

The next big thing that has happened in the world of agriculture is that, for the first time, some of the gamble has been taken out of farming. As everyone who has ever worked a farm knows, the farmer has always been at the mercy of chance. He might be the most conservative man in the world, he might never play cards or bet on a horse race. But all the time he was betting his whole livelihood every time he planted a crop. Betting that floods or drought or dust or wind or grasshoppers would not come to rob him of the product of his labor before he could harvest it.

Now, for the wheat farmer at least, that desperate gamble is gone. He is sharing the risks with other wheat growers all over the country through the Federal Crop Insurance program. The lucky farmers help to see that the unlucky ones do not lose everything because of bad breaks and know that they, in turn, will be helped when their time of bad luck comes. Around 16,000 wheat farmers in Michigan alone are sleeping easier at night now because they have this protection. There is no reason that the future should not bring expansion of this program to other crops, once the technical problems have been worked out.

INCOME MOST IMPORTANT

Soil conservation, adequate credit, crop insurance—these tools we have forged to meet important long-run needs of farmers. But more pressing than any of these problems is the all-important need of bringing the prices of farm products to a level that will enable the farmer to receive a just reward for his labor.

The solemn fact is that in 1932 we were further from this just price than we have ever been in the history of our country. The reason for that situation was simple and obvious to everyone—farmers were producing more than was being consumed. The solution to the problem was not so simple. But common sense told us that we were in a situation a lot like a man who is being chased by a bull with two sharp horns and cannot get away. He cannot keep running away forever. He must make a stand and fight it out. If he grabs onto one horn, we all know what will happen to him. The only thing to do is to grab onto both horns, pull hard, and do his best to raise one and lower the other until the bull is brought to his knees. Above all, he must hang on and keep twisting. That is exactly what we have done with the bull of low prices that was chasing the American farmer all over the economic map before 1933. The two horns were consumption and production. We did grab the bull by the horns and we have raised one and lowered the other.

CONSUMPTION UP

On the side of raising consumption the most direct means of attack was to buy up the excess produce that was glutting the markets and distribute it to the people who needed it but could not get it. Since 1935 this has been done through the Federal surplus-commodities program. During 1939, \$1,500,000 worth of Michigan farm products were bought in this way and distributed to needy families in the State. Included were \$900,000 worth of dry beans, \$337,000 of apples, \$55,000 of fresh peaches, \$171,000 of flour and meal, \$17,000 of dry skim milk, and \$12,000 worth of fresh vegetables.

A significant fact is that these purchases mean much more to the farmer than the actual amount spent. A small surplus on the market can start a wave of price cutting that will wipe out many a farmer. By stepping in and taking these surpluses off the market at the critical moment such disasters can be avoided. Thus, Mr. H. D. Hoolman, secretary of the Michigan State Horticultural Society, wrote last September:

I feel that the announcement of your peach-purchasing program and the actual purchasing of 182 cars did a great deal to give confidence to the men in the trade and stabilize the prices for our peach growers during the past 10 days. * * * I believe the price of peaches would have been 20 to 25 cents a bushel less on September 4 and 5, when over 200 cars were moving into the Benton Harbor market, if it had not been for this program.

FOOD-STAMP PLAN

With the adoption of the food-stamp plan last summer, the surplus program has been expanded and can now be carried on through regular trade channels, thus promising increasing usefulness to the farmer.

Foreign consumption of our farm products has been stimulated through direct subsidies to exporting farmers and through the trade-pacts program, which has opened many doors that were formerly closed to American farmers. The full effect of this program has been obscured by the unnatural situation created by the war abroad, but, even so, we have annually, on the average, nearly \$100,000,000 more than in 1932.

Industrial uses promise a great new market for farm products. To stimulate developments along this line, four great regional research laboratories will open their doors this fall.

These programs are direct attacks on the problem of raising consumption.

CITY INCOMES HELP FARMERS

Even more important, perhaps, is the attack that has been made through providing the lowest income groups of city people with money to buy farm products. Recent studies show that a great percentage of the income of those who benefit from the W. P. A., P. W. A., and trade-agreements programs and the minimum wage laws go directly to benefit the farmers—through increasing purchases of food and clothing. There is still great room for improvement in this matter of raising city purchasing power. Self-interest alone dictates that farmers should support any program that leads in that direction.

REGULATING PRODUCTION

So much for the consumption side, the horn of the bull that had to be pulled up. The other side of the problem was, of course, production—which had to be pulled down.

This need for limiting production in some commodities is a hard thing for most of us to understand. For 300 years the constant urge of all our national policy was to increase production. Even now many countries of the world and many people in our own country lack enough of the things we could raise in our fields. But we have to face the unhappy fact that, temporarily at least, our capacity to produce has outrun our capacity to consume. Until this fundamental dilemma in our economic system has been mastered, it will be necessary to keep farm production down. We hope that this will not be for long. It is just a phase of American growth. Already we have made a good start toward eliminating this need.

HOW TO DO IT?

Once we admit the present need for limiting production we must set standards for how we shall do it. It seems to me that there are three questions we should ask of any method of handling the job of controlling farm production. First, is it run democratically? Second, does it serve the long-run best interests of agriculture? Third, does it achieve its main objectives of raising farm prices and total farm income?

Without making any political claims to perfection, I think it is safe to say that the present agricultural-adjustment program measures up pretty well by all these standards.

It is run democratically. Management of the program in each county is in the hands of an elected local committee. Major decisions are submitted to a vote of all interested farmers. All participation in the program is voluntary unless farmers in a given area decide by majority vote to make it otherwise.

LONG-RUN INTERESTS

It does serve the long-run best interests of agriculture. Thus the whole acreage-control program is tied in with the soil conservation work. Special payments are made for planting cover crops, diversification, and other soil building practices. Withdrawal of submarginal land from production is encouraged. Especially important to Michigan is the encouragement of managed farm forests.

In the corn program commodity storage loans make possible the ever-normal granary, in keeping with the ancient wisdom of saving in fat years for the lean ones to come.

Altogether we shall have better farms and more stable production because this program has operated.

This brings us to the final and most important question.

INCOME UP

What has the program done for farm income?

The answer to this question is so very important that at the risk of boring you with too many figures I am going to give it product by product for every important commodity raised on Michigan farms.

The first figure and the one we should all remember after we forget the rest is that Michigan farmers had \$88,000,000 more cash income in 1938 than they had in 1932 and \$101,000,000 more in 1939. This increase from \$127,000,000 to \$214,941,000 in 1938 amounts to 69 percent and the increase

to \$228,000,000 in 1939 is 79 percent. Of the 1938 amount, \$7,774,000 came in the form of Government payments.

Every type of farm producer shared in this gain.

Michigan corn and hog purchasers, for example, had a cash income of \$17,085,000 in 1938 as compared with \$6,902,000 in 1932—an increase of 148 percent. The price of hogs went from \$3.65 per hundredweight to an average of \$7.90.

Potatoes, one of our promising newer crops, brought a total of \$9,189,000 to Michigan farmers in 1938, 103 percent more than the 1932 figure of \$4,530,000. The price rose from 26 to 48 cents a bushel in the same period.

Dollar wheat became a reality in December 1939, after a 1932 price of 45 cents a bushel. This meant an increase of 49 percent in the income of Michigan wheat farmers—from \$3,946,000 to \$5,869,000 in 1938 and an increase of 81 percent in 1939—\$7,139,000.

There was a 121-percent gain in the amount received by Michigan farmers raising beef cattle and calves—their income going from \$10,497,000 to \$23,190,000 as beef cattle went from \$3.95 to \$6.40 per hundredweight, and veal calves from \$5.70 to \$9.60.

Apple growers in Michigan earned \$4,282,000 in 1938 as compared with \$2,891,000 for the 1932 crop, the respective prices being 86 and 65 cents a bushel. The price of butter, the basis of all dairy product prices, rose from 21 cents to 29 cents in the same period, as part of an increase of 59 percent in the income of milk producers. The figures were \$62,854,000 for Michigan farmers in 1938 as compared with \$39,489,000, 6 years before.

Poultry raisers in Michigan realized 32 percent more in 1938 than in 1932. The total receipts from chickens and eggs rose from \$18,717,000 to \$24,753,000 as chicken prices went from 11.2 to 16.4 cents a pound and eggs from 14.6 to 20.8 cents a dozen.

Growers of edible dry beans in our State received \$8,709,000 for their produce as compared with \$6,027,000 as the price went from \$1.50 to \$1.85 per hundredweight.

Sugar is an especially significant factor in Michigan's agricultural economy. Since the passage of sugar quota legislation in 1934, sugar-beet acreage, production, and grower income have increased.

Comparing the 5 years 1928–33 with the 5 years 1934–39, sugar acreage and production increased 20 percent in Michigan and grower income 44 percent, including Government payments, which amounted to \$3,145,665 in the fiscal year ending June 1939. And it is the farmers themselves who have benefited from these payments.

SIXTY-PERCENT INCREASE

Altogether the crop adjustment and other phases of the agricultural program have contributed to increasing the amount of things the Michigan farmer can buy with the product of his labor—some 60 percent over the 1932 income. This is because, for the first time in many years, farm prices have gone up faster than the prices of the things the farmer has to buy.

Time does not permit me to do more than mention the new developments in other parts of the farm program—rural electrification, regulation of commodity exchanges, and marketing practices, forest improvement, and many others. But all of them mean much to the Michigan farmer.

AGRICULTURE AND WAR

One final point should be made in reference to the total farm program. I think it is particularly important right now. Large parts of the world are engulfed in the bloody sea of war. As each succeeding neutral comes into the maelstrom, our whole economy is deeply affected, whether we like it that way or not. And as the terrible tide washes closer to our shores, particularly is the farmer affected, as one by one his foreign markets are swept away by the flood. In fact, the farmer and the land from which he lives were among the chiefest victims of the last world tragedy.

In these dark and uncertain hours we can say one thing for sure: The farmer and his land will not suffer from this war and its after effects as they did from the last. The new machinery we have built for regulating production and

insuring soil conservation can become an impregnable defense for our farm economy. Because this machinery is flexible and is run by farmers themselves, it can take care of almost any situation which may arise quickly and democratically. This is worth thinking about in such times as these.

THE RIGHT DIRECTION

Since this is a factual speech and not a political one, I have tried to emphasize the fact that the farmer's problems are not by any means all solved. We still have a lot of work to do and a long way to go. But we have come a good distance and are headed in the right direction.

Altogether it strikes me that our present farm program is a lot like one of the automobiles that were built in Michigan several years back. It is a new thing, meeting a new problem in a new way. It is not streamlined and it will not go 90 miles an hour. It is a little noisy at times and bucks some on the steep hills. But with all its fault it is still a great deal better than walking.

It took time, hard work, and good engineering to turn the model T into the latest V-8. The same thing is true of our farm program.

"GET A HORSE"

Just in closing I want to say something that may sound political—but is also, I think, good common sense. If our farm program today is like the automobile of a few years back, it is probably a good idea to entrust the job of developing and improving it to the men who built it in the first place in preference to others who have so far done nothing more than stand on the sidewalk and holler, "Get a horse."

SCHOOL DISTRICT 13, FROID, MONT.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1450) to provide funds for cooperation with school district No. 13, Froid, Mont., for extension of public-school buildings to be available to Indian children, which were on page 1, line 6, to strike out "13" and to insert "15"; and to amend the title so as to read: "An act to provide funds for cooperation with school district No. 15, Froid, Mont., for extension of public-school buildings to be available to Indian children."

Mr. WHEELER. I move that the Senate concur in the House amendments.

The motion was agreed to.

EXTENSION OF CLASSIFIED CIVIL SERVICE

Mr. MEAD. I move that the Senate proceed to the consideration of the bill (H. R. 960) extending the classified executive civil service of the United States.

The PRESIDING OFFICER. The question is on the motion of the Senator from New York.

Mr. KING. Mr. President, will the Senator yield?

Mr. MEAD. I am glad to yield to the Senator from Utah.

Mr. KING. I hope the Senator will not ask for the consideration of that bill today, because it is my purpose, and the purpose of several others, to ask for the consideration of Senate bill 915, Calendar No. 475, the so-called Logan-Walter bill.

Mr. BARKLEY. Mr. President, I wish to say to the Senator from New York that the bill which he has moved to consider has been on the calendar and in it many people in the United States are interested. It has passed the House by an overwhelming majority, and it is a measure which ought to be considered. I hope the Senator from New York will insist on his motion that the bill be made the unfinished business.

I will say to the Senator from New York and the Senator from Utah and all other Senators that it is not intended to proceed to a discussion of this bill this afternoon, but to go over until Monday.

Mr. KING. I may say to the able Senator from Kentucky that the Logan-Walter bill passed the House by an overwhelming majority several months ago. It came to the Senate and was referred to the Committee on the Judiciary, and that committee unanimously—perhaps there was one absentee—voted in favor of the bill and directed those in charge

of the measure to seek its early consideration. From time to time we have suggested the consideration of the bill, but, in deference to the wishes of the majority leader, and in view of the importance of legislation making provision for the national defense, we have not urged with that zeal which should have characterized our efforts the consideration of this bill. It seems to me there has been—and I am not criticizing any person or persons whatever—some determination not to have the Logan-Walter bill considered at this session of Congress.

I feel that the members of the Judiciary Committee, in view of the unanimous vote of that committee and the overwhelming vote of the Judiciary Committee of the House, in fact, the unanimous opinion of the Judiciary Committee of the House, as I recall, except for one, and the overwhelming vote of the Members of the House in favor of the bill, we would be derelict in our duty if we should consent to the adjournment of Congress without the consideration of this measure. All we ask is to have it fully considered by the Senate, and we respectfully suggest to our leader, for whom we entertain profound respect, that an opportunity be given us for the consideration of the measure. It seems to me that the so-called Ramspeck bill is not entitled to higher consideration than is the Logan-Walker bill to which I have so imperfectly referred.

Mr. BURKE. Mr. President, will the Senator from New York yield to me?

Mr. MEAD. I will be glad to yield for a short statement.

Mr. BURKE. It will be very short.

I am a member of the subcommittee of which the Senator from Utah is chairman, and I wish to reiterate what he has said and make a brief additional statement. Not only did the Logan-Walter bill pass the House by more than a 3-to-1 majority and come to this body for action, but a similar bill (S. 915), which has been on the calendar now for more than 16 months, actually passed the Senate on one occasion by unanimous consent, but, because of the absence of the majority leader and the majority whip and other Senators, a motion to reconsider was made and, of course, was granted; but at that time, as the RECORD will show, there was a very definite understanding made with our then colleague, Senator Logan, of Kentucky, that at the following session of Congress, which is the one in which we are now engaged, opportunity would be given for the consideration of the Logan-Walter bill, which was then on the calendar.

Mr. AUSTIN. Mr. President, will the Senator from New York yield to permit me to ask a question of the Senator from Nebraska?

Mr. MEAD. I am glad to yield.

Mr. AUSTIN. Would it refresh the Senator's recollection if I were to quote to him the exact words in which the statement was made by the distinguished Senator from Kentucky [Mr. BARKLEY]? I quote the words:

With the understanding that the bill be taken up at some date early in the next session.

Those words are to be found in the temporary RECORD on page 14800 and in the permanent RECORD on page 10621, volume 84, part 10, CONGRESSIONAL RECORD.

Mr. BURKE. The session to which reference was made was the session in which we are now engaged, which began last January.

So I wish to say, Mr. President, as one of the members of the committee, that unless there is an agreement by the majority leader to have the Logan-Walter bill given a definite day I propose, for one, to do everything in my power to see that other legislation is not passed ahead of it. I shall, so far as possible, exercise my right to object to unanimous-consent requests. I shall insist upon speaking upon the Logan-Walter bill at very considerable length in the progress of any other business that may precede it. In other words, we are now driven to the point where we must stand upon our feet and say something, as we do not intend to let this session of Congress draw to a close without having the Senate, at least, given the opportunity to concur in the action of the

House of Representatives, which passed the bill by a 3-to-1 majority, or reject that action.

Mr. President, I thank the Senator from New York for yielding. He has been recognized. When his motion is put I expect to vote against it, not because I have any objection to the bill itself but because of the absence of an agreement on the part of the majority leader that the Logan-Walter bill may have a place here for consideration.

Mr. HATCH. Mr. President, will the Senator from New York yield to me?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from New Mexico?

Mr. MEAD. Yes; for a brief observation.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Mexico will state it.

Mr. HATCH. What is the present status?

The PRESIDING OFFICER. A motion is pending, made by the Senator from New York [Mr. MEAD], that the Senate proceed to the consideration of House bill 960, Calendar No. 1954.

Mr. HATCH. That is a motion to proceed to the consideration of what is commonly known as the Ramspeck bill?

Mr. MEAD. That is correct.

Mr. HATCH. Mr. President, I asked the Senator from New York to yield. I desire to make some observations on the subject.

Mr. MEAD. I shall be very glad to yield.

Mr. HATCH. The Senator from New York very kindly agreed to yield for a brief observation. I prefer to be my own judge of the length of time and of the observations I shall make. I shall speak in my own right on the motion of the Senator from New York.

Mr. MEAD. I am only interested in having the motion decided upon.

The PRESIDING OFFICER. The question is on the motion—

Mr. HATCH. Before the question is put, I seek recognition on the motion.

The PRESIDING OFFICER. The Chair will state the motion, and if the Senator from New Mexico desires recognition on the motion he will be recognized.

Mr. CLARK of Missouri. Mr. President, will the Senator from New York yield for a parliamentary inquiry.

Mr. MEAD. I yield.

Mr. CLARK of Missouri. Has any motion been made?

The PRESIDING OFFICER. The motion was made. The Chair has just stated, in answer to an inquiry, that the motion was made. The Chair has not stated the motion, however.

Mr. CLARK of Missouri. Unless I have lost my hearing, in response to a parliamentary inquiry a moment ago the Chair stated that a request for unanimous consent had been made.

The PRESIDING OFFICER. No; the Senator is mistaken.

Mr. CLARK of Missouri. A motion has been made, then? That is an entirely different parliamentary situation.

The PRESIDING OFFICER. The Senator from New York [Mr. MEAD] moves that the Senate proceed to the consideration of House bill 960, Calendar No. 1954.

Mr. MEAD. Mr. President, I desire to bring this bill to the attention of the Senate at this time because I believe it is in the interest of orderly procedure and efficient management of government. It is not a very difficult bill to understand, and a great deal of time ought not to be required to debate it.

The bill contains two principal sections, one of which gives the President of the United States authority, under certain circumstances and conditions, to cover into the civil service employees of the agencies of government who are now outside the merit system. The President may or may not exercise this authority; but if he should exercise the authority given to him under the provisions of the bill, it would then be necessary for the employee, before being covered under the civil service, to receive the recommendation of the head of the agency in which he is employed, and to pass an examination,

the terms of which are to be decided and determined by the Civil Service Commission itself.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. MEAD. I shall be glad to yield.

Mr. VANDENBERG. If the President were to exercise the sum total of power involved, how many positions would be covered into the civil service?

Mr. MEAD. The bill includes all the agencies of government not now within the civil service, excluding the W. P. A. and agencies operating on funds allotted to the W. P. A., and includes the agencies of government with which the Senator is familiar which have been created during the past 7 years. It would take a considerable length of time to bring within the civil service any measurable number of persons, because the President of the United States would have to issue the order, the Civil Service Commission would have to make up the examinations required in the many categories, and then they would have to provide the times for holding the examinations. I presume the bill would cover possibly 150,000 or 200,000 employees, assuming that the employees comply with the rules and regulations laid down in the bill and to be provided for in the future by the Civil Service Commission. They would, of course, have to be employed in an agency for at least 6 months prior to the time when the President would issue the proclamation. They would have to apply for an examination provided for them by the Civil Service Commission; they would have then to take the examination; and they would have to wait until eligible rosters were established. That would take considerable time, and it is assumed that no large, substantial number of these employees would be covered within the civil service in any one year. Their inclusion would be spread out over a period of years, in order not to overburden the present hard-working Civil Service Commission.

Mr. VANDENBERG. I understand that the Senator's overall estimate is around 200,000?

Mr. MEAD. Various figures were given to the committee during the hearings; but I should say that if eventually and finally, after a long period of time, 200,000 were brought into the civil service, that would be a very fair estimate.

Mr. McKELLAR. Mr. President—

Mr. MEAD. I yield to the Senator from Tennessee.

Mr. McKELLAR. Purely for information, because I am not familiar with the terms of the bill, would district attorneys throughout the United States be put under civil service?

Mr. MEAD. Yes.

Mr. McKELLAR. Would United States marshals throughout the country be put under civil service?

Mr. MEAD. United States attorneys, United States marshals, and deputy collectors of internal revenue.

Mr. McKELLAR. Would collectors of internal revenue also be put under civil service?

Mr. MEAD. They would.

Mr. McKELLAR. Would first-class postmasters be put under civil service?

Mr. MEAD. All postmasters are already covered. They would not be affected by this bill.

Mr. McKELLAR. Would they be taken out of their present status by this bill and not be required to be confirmed by the Senate?

Mr. MEAD. No. In answer to the Senator from Tennessee, I will say that under the administration of President Harrison a bill was passed, called the Pendleton bill, which authorized the then President of the United States to cover under the civil service everybody in the Federal service. President Harrison did not very frequently exercise the authority conveyed to him, but President Cleveland did. Then, after a time, although the President already had in the Pendleton law authority to cover all agencies within the civil service, in the enactment of legislation creating new agencies the Congress specifically prohibited the President from exercising that power with reference to a certain agency which was then to be created by the Congress.

Mr. McKELLAR. Will the Senator further tell me, for information, whether Cabinet officers would come within the provisions of the bill? Would they be covered into the civil service?

Mr. MEAD. No.

Mr. McKELLAR. Would Assistant Secretaries of Departments be covered into the civil service, such as the Assistant Secretaries of the Treasury, the Assistant Secretaries of State, and the Assistant Secretaries of all the other Departments?

Mr. MEAD. It is assumed that they would not be, because that matter was discussed.

Mr. McKELLAR. I have just looked at the provisions of the bill. It seems that there are certain exceptions; and I do not find the Assistant Secretaries of State, or the Assistant Secretaries of the Treasury, or the Assistant Secretaries of Commerce, or of Labor, or of any other department, within the exceptions. Therefore, the language of the bill being broad enough to cover all of the agencies of the Government, I take it that there is no doubt that under the bill the Assistant Secretaries of the various departments would be covered into the civil service.

The Senator does not think so.

Let me ask one other question, and then I believe I will be through. In the Department of Justice there are several hundred attorneys, as I recall, drawing probably from \$10,000 down to somewhere around \$2,000. Would they be covered into the civil service? Is the Department of Justice to be forced to take such lawyers as pass a civil-service examination?

Mr. MEAD. As I stated to the Senator a moment ago, in the first section of the bill we merely restate the authority given to the President in the original legislation giving the President authority to bring certain agencies of the Government within the civil service. It was brought out in our hearings that neither this bill, nor the original law, nor the Executive orders of the President in the interim period, attempted to cover within the civil service public officers requiring Senate confirmation. That matter was discussed in the hearings, and it was suggested that if it was thought necessary to exclude policy-holding positions—positions requiring confirmation by the Senate—we might add the following language:

Except offices or positions to which appointment is required to be made by the President by and with the confirmation of the Senate.

We were advised by the Civil Service Commission that the President could, under the terms of the bill, cover within the civil service collectors, marshals, United States attorneys, and other field employees now requiring Senate confirmation; but it was maintained by experts who seemed to be familiar with the civil-service law that the bill would not authorize the President to cover within the civil service any employee requiring confirmation by the Senate. As I stated in the beginning, this merely gives the President authority taken from him from time to time when a specific measure was passed creating a specific agency of government.

Mr. McKELLAR. If the Senator will permit me, I shall read the statement of power given the President under the bill in the first 8 lines:

TITLE I. EXTENSION OF CIVIL SERVICE ACT

That notwithstanding any provisions of law to the contrary—

That takes them all in—

the President is authorized by Executive order to cover into the classified civil service any offices—

Not some, but any office—

any offices or positions in or under an executive department, independent establishment, or other agency of the Government.

I may not have a correct knowledge of language, but, in my judgment, that language covers every Assistant Secretary of any department, every lawyer except the Attorney General himself, and, as a matter of fact, even the Attorney General is not in terms excepted under the bill. It may be possible by judicial construction to except him, but certainly one under him and under other independent offices would not

be excepted. Let us take the Securities Commission, in which there are many scores, possibly hundreds, of lawyers. All of them would be under the civil service, although those positions require certain technical knowledge which only certain kinds of trained lawyers possess. It seems to me this is a most all-inclusive bill which virtually puts the Government under the Civil Service Commission.

Mr. MEAD. If I may attempt at least to clear up the apparent misunderstanding under which the Senate seems to be laboring, I shall have to have a little time in which to do it.

Mr. McKELLAR. I beg the Senator's pardon.

Mr. MEAD. I was not making any reference to what the Senator from Tennessee said, because I believe he made a really constructive contribution to the debate.

The same question which seems to be troubling the Senator troubled me and others during the course of the hearings on the bill. It was maintained by representatives of the Civil Service Commission that the bill covered United States marshals, United States attorneys, collectors of customs, and others in the field service of the United States. It was maintained by others who are thoroughly conversant with civil-service practice that the bill does not cover policy-making positions, positions requiring Presidential appointment, or positions requiring Senate confirmation. It specifies in section 2 that the head of the agency shall confirm to the Civil Service Commission the eligibility of the employee working under his jurisdiction, and the Civil Service Commission will in turn provide the customary examination for employees in that category. It was assumed that that would not pertain to Cabinet officers, to policy-making positions, or to those requiring specifically by law appointment by the President and confirmation by the Senate.

I shall be perfectly satisfied if the Senator from Tennessee, or any other Member of the Senate, will suggest an amendment agreeable to the chairman of our committee—an amendment similar to the amendment which I had inserted in the civil-service section of the reorganization bill, which I had in charge in the other House, which would specifically by words eliminate all positions requiring Presidential nomination and senatorial confirmation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MEAD. I am glad to yield.

Mr. BARKLEY. The Senator will recall that under the act providing civil-service status for postmasters, which was enacted some 2 or 3 years ago, there was a provision requiring Presidential appointment and senatorial confirmation. So that while all postmasters now are under the civil service, and the selection is made from the three highest, as always heretofore in the case of appointment to a civil-service position, the nomination really must come to the Senate and receive senatorial confirmation before the appointee can take office.

Mr. MEAD. That is correct.

Mr. BARKLEY. Even in dealing with some of the higher officers mentioned by the Senator from Tennessee a similar provision could be made, if it is the wish of Congress to place them in a civil-service status after they have been appointed and confirmed by the Senate.

Mr. McKELLAR. But such a provision is not in the bill now.

Mr. BARKLEY. No; it is not.

Mr. MEAD. The Senator is correct.

Mr. GLASS. Mr. President, I call attention to the fact that the Senate voted to require confirmation by the Senate, and in conference the Senate conferees abandoned the action taken by the Senate.

Mr. BARKLEY. The Senator is mistaken, I think.

Mr. GLASS. No; I am not.

Mr. BARKLEY. All postmasters still have to be confirmed.

Mr. GLASS. They are interminable now—those who are in.

Mr. BARKLEY. Only those who were appointed under the new law. Those appointed before that was passed were required to take at least a noncompetitive examination to establish their qualifications, and may be required to take a

competitive examination before their names can be sent to the Senate.

Mr. GLASS. I know distinctly that the Senate conferees abandoned the action of the Senate formally taken by a recorded vote.

Mr. BARKLEY. I think if the Senator will look into that he will find he is in error.

Mr. GLASS. I know I am not.

Mr. BARKLEY. It is part of the law, now, and every day these appointments come to the Senate for confirmation.

Mr. MEAD. Mr. President, if I may take a few minutes to hurriedly run through an explanation of the bill, we might be able to proceed expeditiously with the consideration of the measure.

Mr. HILL. Mr. President—

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from New York yield to the Senator from Alabama?

Mr. MEAD. I yield.

Mr. HILL. Before the Senator starts on an explanation of the bill, I wonder whether I might call to his attention and to the attention of the Senate the provision in the Constitution which deals with the matter of appointments, in the hope that as the Senator proceeds with his explanation of the bill he may point out how the bill conforms with the language of the Constitution.

If the Senator will yield, the language of the Constitution to which I refer is found in article II, section 2, defining the powers of the Chief Executive, and it is said:

He—

Meaning the President, the Chief Executive—

He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law. But the Congress by law may vest the appointment of such inferior officers—

Inferior officers—

as they think proper, in the President alone, in the courts of law, or in the heads of departments.

I find nothing in the bill as I have examined it which in any way limits the operation of the bill to what the Constitution calls "inferior officers," and I hope that as the Senator goes along and explains the bill he will make it clear just how the bill conforms with this section of the Constitution, and the language of the section, because I am sure the Senator desires to conform in every way with the requirements and the provisions of the Constitution.

Mr. KING. Mr. President, will the Senator from New York yield?

Mr. MEAD. I yield.

Mr. KING. I do not wish to interrupt the Senator in the logical presentation of the case, but he stated a few moments ago, in answer to a question propounded by the Senator from Michigan, that he thought the bill would involve perhaps a hundred thousand or a hundred and fifty thousand employees. My recollection is that there are now considerably more than a million employees on the Federal pay roll, and with the enormous increase now taking place, with the increase in the agencies of the Federal Government, and the multiplication of offices and office holders and employees in the various activities, I feel sure there will soon be more than 2,000,000 employees on the Federal pay roll. There will be built up such a powerful bureaucracy that it will be almost impossible to dislodge it. I hope the Senator will advise us of the number of employees who will be covered by this bill now and in the immediate future.

Mr. MEAD. Of course, in the estimate of the number of employees which is given to the Senate by my distinguished friend the Senator from Utah, there is included the W. P. A., and there are perhaps included the other agencies of government which are financed from W. P. A. funds. There are also

included W. P. A. employees. That agency is being liquidated. There are included the H. O. L. C. employees, and that agency is being liquidated. There are a great many agencies and a great many employees whom I tried to approximate, so far as number is concerned, when I attempted to answer the question directed to me by the Senator from Michigan [Mr. VANDENBERG].

I have in mind also that the bill would cover no one under the civil service. It would merely give to a President, who may exercise it next year or 10 years from now, an authority which the Congress gave him many years ago, an authority which was tried and tested in the inferior courts, in the superior courts, and in the Supreme Court, and in the tests it was proven to be valid legislation.

Mr. President, there are, as I said in the beginning, two titles in the bill. I should like to have the attention of the Senate so that I may tell it what is included in title I and in title II.

Title I of the bill would permit the President by Executive order to bring into the civil service, employees in the agencies of the Government, except the W. P. A., and in agencies financed by W. P. A. funds, who are now outside the civil service. The President now has authority in certain instances, by Executive order, to bring positions within the civil service. We all recall that President Wilson brought the postmasters of the Nation within the civil service, only to have them excluded in the next administration by a similar Executive order.

It has been ruled by the Attorney General that when the Congress in creating a new agency specifically exempts the positions under the agency from the civil-service law and from the Classification Act the President in such instances is powerless to cover those employees within the civil service, even though in the administration of President Harrison the Congress decided, after a long-drawn-out fight, that the rank and file employees of the permanent agencies of the Government, could be brought within the civil service by the Executive order of a President of the United States. We are merely restating that authority, and giving to the present President and the President who may be the President 10 or 20 years from now, the authority exercised by President Wilson, by President Cleveland, and by all the Presidents who have served since the passage of that law. So much for title I. It is assumed as the result of the laws which have been passed on this subject, and the Executive orders which have been promulgated, that it applies to rank and file employees of the Government; that it does not apply to employees requiring Presidential nomination or confirmation by the Senate, but that it does apply and will apply to rank and file employees of permanent agencies of government.

Title II merely seeks to extend to the field service the provisions of another congressional act, the Classification Act, an act passed by the Congress originally in 1923, whereas under existing law it only applies in the District of Columbia to the service in Washington.

The Classification Act received the consideration of several Congresses. It was studied exhaustively by committees of both Houses. It was the subject of investigation, and finally it became the scientific application of a rule, a uniform rule, which brought order out of chaos, which meant justice to the employees in the civil service, and which made uniform the salaries which were paid in the several agencies for the work that was being performed.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. VANDENBERG. The Senator has told me that title I ultimately may cover 200,000 persons. Will he tell me how many title II in all could cover?

Mr. MEAD. As I have tried to explain, I could not give the Senator the exact number, but title II will follow in the wake of title I, and as the President, by Executive order, covers an agency within the civil service, that particular agency will come under the Classification Act, and its salary grades will be graded under the provisions of the Civil Service Act, so as

many as are brought within the civil service will be brought within the Classification Act.

Mr. VANDENBERG. Can the Senator give me a figure estimating the over-all coverage of title II?

Mr. MEAD. I can only advance a guess, that if some future President of the United States, taking into consideration the agencies which exist today, should attempt to cover them all, which is an uncertainty, it might extravagantly reach 200,000.

Mr. VANDENBERG. The Senator's own report says that it will reach 300,000 and involve \$14,000,000 in salary increases. Is that correct?

Mr. MEAD. That takes into consideration all the agencies which were transferred before the committee amended the bill and eliminated a number of agencies. For instance, we wrote into the bill an amendment which eliminated not only the W. P. A. but in the General Accounting Office the employees who were added to the rolls by reason of the additional work resulting from W. P. A. activities. I am advancing what I assume to be a conservative guess. In advancing that guess I must have in mind the varying lists of personnel. I must have in mind, I assume, the permanency of these agencies and the possibility of a ruling on the part of the President that they must be permanent agencies before they are finally covered within the civil service. I am still of the opinion that 200,000 is a very good estimate.

Mr. VANDENBERG. Then the Senator is of the opinion that the committee's report is not particularly valid as a source of reliance?

Mr. MEAD. I think the committee's report is a good estimate, if we take the maximum number under the most encouraging conditions, with a most friendly administration, but it occurs to me that 200,000 would perhaps be a better guess.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. BARKLEY. I understand that title I of the bill provides the method by which employees may be given a civil-service status, after the President has covered an agency into the civil service, after which all those employees must take at least a noncompetitive examination, provided they have been certified as being qualified by the head of the department or the agency.

Mr. MEAD. That is correct.

Mr. BARKLEY. Title II, as I understand, does not cover any more persons under the civil service, but provides for their salary under the Classification Act. They are already under civil service when title II takes effect.

Mr. MEAD. That is correct. Under title I the employee to be covered within the civil service must first of all be included in a Presidential proclamation. Secondly, he must receive the recommendation of the head of his department. In the third place, he must try to pass a civil-service examination. With it all he must have had 6 months' experience prior to the time of the publication of the Executive order.

Mr. KING. Mr. President, will the Senator yield?

Mr. MEAD. I gladly yield to the Senator from Utah.

Mr. KING. Does the Senator believe—and I express no opinion by reason of the interrogative form of my question—that the power ought to be left with the President to determine what agencies or departments should come within the classified service? Does not the Senator believe that Congress ought to have some voice in determining whether an agency should come within the purview of the statute dealing with classifications?

Mr. MEAD. A dozen Congresses wrestled with that question, and when the Congress passed the first Civil Service Act and passed subsequent amendments to that act it gave that power to the President of the United States.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Michigan?

Mr. MEAD. I yield.

Mr. VANDENBERG. I suppose it is not particularly important to nail down the figure I have been struggling to

reach. As I understand, the Senator's estimate is 200,000 under title II.

Mr. MEAD. No; I think I had better merely leave with the Senator the thought that that was my estimate or guess in answer to his question. If we take the personnel of the Government in its entirety at any one particular time, as was the case when the estimate for the report was produced, and include the W. P. A., perhaps 300,000 would be a very good estimate.

Mr. VANDENBERG. I notice that the Civil Service Commission officially estimates the number at 320,000, and estimates that there will be an increase of \$14,000,000 in the pay roll.

Mr. MEAD. That may be the result of a letter which was sent to the Commission some time ago, which included the W. P. A.

With reference to the \$14,000,000 added to the pay roll, that is another estimate. Let me try to explain how it would apply and how the Civil Service Commission obtained that figure.

In practically every city in the United States we have Federal personnel—in the United States marshal's office, the United States attorney's office, the offices of collectors of customs, and in various other offices of the Government. In one office a stenographer may be receiving \$1,320 a year. In another office, perhaps because of seniority or because of some other consideration, a stenographer doing exactly the same work may be receiving \$1,800 a year. Senators are familiar with the procedure so far as salary grades are concerned. When no law or uniform rule exists, it is sometimes a case of using influence. Again, it may be the result of recognition by a sympathetic employer. The Classification Act merely attempts to apply a uniform rule so that in all the cities of the United States Federal employees will receive a uniform salary for the same work.

That situation now applies in the Postal Service. A letter carrier in New York receives the same salary as does a letter carrier in Los Angeles; but an employee in the office of the collector of internal revenue in Portland, Oreg., doing exactly the same work as a corresponding employee in the office in Portland, Maine, may receive a salary in excess of that received by the employee in Portland, Maine.

In an estimate of the cost of operation for personnel in the field after the Classification Act is applied it is assumed that an additional \$14,000,000 annually might be required to meet the cost of the pay roll, but such an estimate does not take into consideration the added efficiency of the personnel, the savings due to elimination of loss in turn-over, and the elimination of constant negotiation and turmoil in behalf of justifiable salary grades. I am of the opinion that such a plan would not cost a cent. It would result in better government. It would probably result in an increase for the lower-paid employees, and it might result in a decrease for employees who have been successful in securing what might be assumed to be unjustifiable increases; but it would result in uniformity and would produce efficiency.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. WHITE. I understand the Senator's contention to be that title II would produce uniform salaries, and stabilize salaries.

Mr. MEAD. The Senator is correct. That is exactly what it would do.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. ELLENDER. For the past 2 or 3 years quite a number of persons have applied to me for jobs. Many of them had qualified under the civil-service laws. Has the Senator any figures to show what the status of the registers of the Civil Service Commission were, let us say, for the past 2 or 3 years, when a large number of persons were employed in various agencies under Executive order and without civil-service status?

Mr. MEAD. I presume the Senator is anxious to know whether or not there is a semblance of balance in the quota law as it applies to the several States.

Mr. ELLENDER. No; I do not have that in mind. As the Senator knows, the Commission gives examinations at various times in order to qualify stenographers and other employees for the various departments of government. What was the condition of the civil-service registers at the time, let us say, that many employees were placed on the pay rolls without having to pass a civil-service examination? In other words, were there not many persons on those registers who were awaiting jobs, but who were overlooked in order that non-civil-service applicants might be selected?

Mr. MEAD. I am unable to answer that question; but as the situation applies to this bill, when we authorize the President to cover an agency within the civil service, and the personnel of that agency is called upon to try a civil-service examination which may result in a number of failures, then and only then would those on a civil-service register, ineligible all the time they were on the register for employment under the civil service in a particular agency, become eligible for appointment; and as a result they would have a greater field in which to find employment. But I do not know the condition of the register at any given time, and I do not know that that has anything to do with the covering of an agency within the civil service. However, as more agencies are covered within the civil service, those on the register have more opportunities for employment.

Mr. ELLENDER. I am informed that for a certain period the General Accounting Office was loaded up with employees who did not take the civil-service examination, whereas there were many on the civil-service registers who were qualified. In other words, instead of their getting the jobs, they were given to persons who did not stand an examination.

Mr. MEAD. I will say to the Senator from Louisiana that it is my understanding that the volume of work heaped upon the General Accounting Office as a result of the activities of the W. P. A. and other emergency agencies was so great that provision had to be made for added personnel. Provision also had to be made for appropriations to take care of the added personnel.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. MEAD. I yield.

Mr. ELLENDER. The added personnel could have been obtained from the civil-service registers, but, unfortunately, that was not done.

Mr. MEAD. And for a good reason. It was determined by the Congress that a certain amount of the money appropriated for W. P. A. should be allotted to the General Accounting Office to take care of the added volume of business resulting from the activity of the W. P. A., and that the employees who were added to the staff of the General Accounting Office should not be taken from the civil-service register and given a civil-service status because, if W. P. A. were to be liquidated, then the General Accounting Office would have a problem on its hands in taking care of the added personnel which would have a civil-service status.

Mr. ELLENDER. Why could not the services of persons with a civil-service status be dispensed with to the same extent as are the services of other employees? Moreover, these emergency employees have had constant work for many years.

Mr. MEAD. I suppose the appropriations for W. P. A. were primarily approved by the Congress to take care of those who were on relief, rather than those who were on the civil-service registers. I suppose the rules and regulations in the W. P. A. law and in subsequent appropriations were applied in the employment of personnel paid for out of those appropriations. I suppose every agency of Government, temporary or permanent, may go to the civil-service registers or to the reemployment registers; but, of course, if that course were always followed, certain citizens who need employment would receive no recognition whatsoever.

Mr. ELLENDER. Does not the Senator think it is wrong for any agency in which civil service is required to be permitted to go to any other place than the civil-service registers to obtain its employees?

Mr. MEAD. Civil service was not required in the General Accounting Office in connection with the work which was added to the General Accounting Office's responsibility as a result of W. P. A., because the Congress specifically earmarked a certain amount of W. P. A. money for the extra burden heaped upon the General Accounting Office, and that money was used for personnel hired temporarily for that purpose only. That personnel did not become part or parcel of the permanent staff of the General Accounting Office.

Mr. ELLENDER. This so-called emergency did not exist merely as a result of W. P. A. If the pending bill is enacted, many will be given civil-service status in preference to those who were eligible because they qualified under the civil-service laws.

Mr. MEAD. As I understand, they are more or less listed as temporary W. P. A. personnel.

Mr. President, I am about to conclude. Later on, after the motion has been acted upon, I desire to have an opportunity to discuss the merits of the bill. I close, as I started, by saying that we are not attempting to advocate or sponsor a new principle of law or of government. The Congress of the United States battled with this question for over a hundred years, and it was climaxed in the administration of President Harrison when the Pendleton Act was passed. That act gave to the President and to every one of his successors in office authority to blanket within the civil service the employees of the permanent agencies of government. We are merely perfecting the authority given to the President, and we are adding to it certain limitations and requirements. We are doing so in the interest of orderly procedure, because, instead of allowing the President to blanket persons into the civil service without regard to ability or any other consideration which might be appropriate, we require, first of all, the proclamation of the President; secondly, the approval of the head of the department; and, thirdly, the passing of an examination, not authorized or compiled by the head of the agency, but an examination under the Civil Service Commission. We surround the procedure with careful, well-rounded consideration; and, as a result of that procedure, no one can prophesy now the number of persons who will be brought into the civil service within any given time. Only a certain number of examinations can be held over and above those which are now being held; and if the Civil Service Commission were suddenly called upon to give examinations to everybody in the Federal service and outside of the civil service, I do not believe they could do so within a period of 3 or 4 years.

So I believe the enactment of this bill will be in keeping with good, orderly, efficient procedure of government. It will give to the Presidents of tomorrow the authority which the Congress gave to the Presidents many, many years ago. It will apply only to the agencies of government hereafter to be created or heretofore created which have been specifically kept outside of the purview of the civil service.

Mr. KING. Mr. President, will the Senator yield?

Mr. MEAD. Yes; I shall be glad to yield.

Mr. KING. Upon two occasions the Senator has alluded to the fact that by this bill we are conferring upon the President only the authority which he heretofore has enjoyed. Is it not a fact that Congress believed that if the act to which the Senator referred did confer upon the President unlimited authority to blanket agencies under the civil service it was too great an authority, and by a number of restrictive measures they took from him the authority which the Senator contends was conferred in prior legislation? In other words, is it not a fact that the Congress took away from the President the blanket authority which the Senator contends he enjoyed under a former act, believing that Congress ought to have something to say in regard to who should come under the civil service, and what agencies should be brought within the Classification Act?

Mr. MEAD. I probably may assume that at times, when a specific agency of government was being created by the Congress, the Congress or its leaders or a substantial number of its Members felt that the given agency ought to be outside of the civil service and ought to be maintained in the patronage category. I suppose that at times a majority felt that way, and so amendments were written into certain acts at variance with the policy of the Congress adopted when the Pendleton Act was written into the law. I suppose the Congress has occasionally deviated from that policy, and, I believe, without good results. Therefore, it is my opinion that the Congress ought to hark back to the policy which it adopted many years ago, and to the policy which in the main it has supported ever since.

Mr. KING. If I may again interrupt the Senator, he knows that a policy of Congress today does not indefinitely bind Congress. We may change our views. Congress upon at least one occasion has declared against a third Presidential term; and by that I do not mean to imply that we ought to favor or ought not to favor a third term now. The point I am making is that a declaration by Congress of a policy does not bind Congress indefinitely. Congress is the author of its own laws; and it may determine what policies, within the power of the legislative branch of the government, may be carried into effect by the Government itself.

Mr. MEAD. The Senator is perfectly correct. We cannot bind a future Congress; but, looking back over the experiences of this country and of other countries, over the experiences of all the States and all the municipalities, we find that there are certain progressive steps which progressive government takes, and once it takes those progressive steps it never returns to the status which was in existence before it made its departure. This is a progressive step, uniformly and universally taken by the Federal Government and by every political subdivision of the Federal Government; and, of course, no Senator would infer that this Government or any part of this Government would ever return in the main to the patronage system of the early history of our country.

Mr. HATCH. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from New Mexico?

Mr. MEAD. I had better yield the floor to the Senator, because I am through.

Mr. HATCH. Mr. President, when I asked the Senator from New York to yield a moment ago, and it seemed to me that for some reason he did not care to yield, and I said I would speak in my own time as long as I might desire, there was no intention on my part to discuss this motion or the bill itself this afternoon. It is late now; but I do not want the session to adjourn without making my position clear. I wanted to support the Senator from New York in his motion. I think the motion should prevail, and that the bill should not only be acted upon but should be passed. I also hope—and I rose to express my view on that subject—that the Logan-Walter bill may be acted upon and passed at this session.

I am quite sure the majority floor leader desires the floor at this time, and I do not care to continue my remarks tonight. Perhaps tomorrow or Monday I should like to discuss some reasons why this particular measure, the Ramspeck bill, should be passed, why both political parties ought to keep some of the promises they have been making to the people of the country for more than 50 years, not that the present civil service as it exists may be enlarged and expanded, that is not the answer, but that a real system of merit and efficiency may be set up for all the inferior officials and employees of the Federal Government.

Mr. REED obtained the floor.

Mr. BARKLEY. Mr. President, may we have a vote on the motion to proceed to the consideration of the bill?

Mr. BURKE. Mr. President, before we have a vote on that motion, I wish to address myself to it at some length.

Mr. BARKLEY. If that be so, then I think we might as well suspend here and let the motion go over until Monday.

Mr. McKELLAR. Mr. President, before that is done—

Mr. REED. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Kansas was recognized.

Mr. BARKLEY. I hope the Senator is not going to make a point of no quorum until I can get some things in the RECORD.

Mr. REED. May I yield to accommodate the Senate majority leader?

The PRESIDING OFFICER. The Senator from Kansas has the floor.

PRESIDENT'S STATEMENTS ON PEACE

Mr. BARKLEY. If the Senator will yield to me, I wish to have some matters inserted into the RECORD, and to make a statement about them.

Mr. President, the attempt of certain persons in this political hour to charge the President of the United States with showing a tendency toward war, or performing acts leading America into war, is a deliberate disregard of a consistent record made by him in his public utterances on peace covering a period of many years.

President Roosevelt has been an active and earnest advocate of peace; definite in all of his pronouncements that America will not participate aggressively in war with any foreign nation. To attribute to the President any motive of fostering hostile activity with any nation with which we are now at peace is sheer nonsense. For anyone to say that President Roosevelt by any act, thought, speech, or connivance has done anything having a tendency to plunge this country into any of the wars now being waged is an untruth from the whole cloth.

Every word, sentence, paragraph, or speech of the President's has been designed to urge all nations to adjust their legitimate differences by negotiation and arbitration, and, by preventing war elsewhere in the world, to safeguard our own peace and that of the Western Hemisphere. He has ventured to appeal to the dictators and rulers of the European countries that they should not precipitate conflicts which would disturb world peace. It is not humanly possible in the framing of words into sentences to make them more definite than has the President in his statements in opposition to war. In no way, shape or form, act or deed has he said or done anything to encourage hostilities anywhere in the world, but he has consistently advocated the settlement of international disputes by just methods of pacific negotiation and arbitration.

For reassurance and conclusive proof of this assertion, I offer for the RECORD, and ask that they be printed as part of my remarks, quotations from numerous statements by the President against the participation of the United States in any foreign conflict. Furthermore, by no stretch of the imagination can any American citizen consider the enactment of the Selective Military Service and Training Act in any other light than as a measure of adequate preparation for our national defense for any emergency which may arise.

Mr. TAFT. Mr. President, I should like to ask the able majority leader whether he is advocating the reelection of President Roosevelt on the ground that he has kept us out of war?

Mr. BARKLEY. No; I am not advocating his reelection on the ground that he has kept us out of war. No such campaign issue has arisen. I suppose that even the Senator from Ohio knows that we are not at war.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE PRESIDENT'S STATEMENTS ON PEACE

[Excerpt from the annual message of the President of the United States delivered before a joint session of the Senate and House of Representatives of the United States, 76th Cong., 1st sess., January 4, 1939]

That hemisphere, that peace, and that ideal we propose to do our share in protecting against storms from any quarter. Our people and our resources are pledged to secure that protection. From that determination no American flinches.

This by no means implies that the American republics disassociate themselves from the nations of other continents—it does not mean the Americas against the rest of the world. We as one of the republics reiterate our willingness to help the cause of world peace. We

stand on our historic offer to take counsel with all other nations of the world to the end that aggression among them be terminated, that the race of armaments cease, and that commerce be renewed.

[Excerpt from press conference No. 523, February 3, 1939]

As a nation—as American people—we are sympathetic with the peaceful maintenance of political, economic, and social independence of all nations in the world.

[Excerpt from address of the President by radio from Key West, Fla., on the occasion of the opening of the San Francisco Golden Gate Exposition, February 18, 1939]

Many times, in the elaboration of what I call the good-neighbor policy, I have stressed the point that the maintenance of peace in the Western Hemisphere must be the first concern of all Americans—North Americans, South Americans, and Central Americans—for nothing is more true than that we here in the New World carry the hopes of millions of human beings in other less fortunate lands. By setting an example of international solidarity, cooperation, mutual trust, and mutual helpfulness we may keep faith alive in the heart of anxious and troubled humanity and at the same time lift democracy high above the ugly truce of autocracy.

[Excerpt from address of the President by radio from Key West, Fla., in connection with the Pan American Hernando De Soto Exposition at Tampa, Fla., February 18, 1939]

We desire by every legitimate means to promote freedom in trade and travel and in the exchange of cultural ideas among nations. We seek no territorial expansion; we are not covetous of our neighbor's goods; we shall cooperate in every proposal honestly put forward to limit armaments; we abhor the appeal to physical force except to repulse aggression; but we say to all the world that in the Western Hemisphere—in the three Americas—the institutions of democracy—government with the consent of the governed—must and shall be maintained.

[Excerpt from address of the President of the United States delivered before a joint session of the two Houses of Congress, 76th Cong., 3d sess., January 3, 1940]

For out of all the military and diplomatic turmoil, out of all the propaganda and counterpropaganda of the present conflicts, there are two facts which stand out and which the whole world acknowledges.

The first is that never before has the Government of the United States done so much as in our recent past to establish and maintain the policy of the good neighbor with its sister nations.

The second is that in almost every nation in the world today there is a true public belief that the United States has been, and will continue to be, a potent and active factor in seeking the reestablishment of peace.

In these recent years we have had a clean record of peace and good will. It is an open book that cannot be twisted or defamed. It is a record that must be continued and enlarged.

[Excerpt from address of the President broadcast in connection with the Christian foreign-service convocation, Saturday, March 16, 1940. From press release]

Today we seek a moral basis for peace. It cannot be a real peace if it fails to recognize brotherhood. It cannot be a lasting peace if the fruit of it is oppression, or starvation, or cruelty, or human life dominated by armed camps. It cannot be a sound peace if small nations must live in fear of powerful neighbors. It cannot be a moral peace if freedom from invasion is sold for tribute. It cannot be an intelligent peace if it denies free passage to that knowledge of those ideals which permit men to find common ground. It cannot be a righteous peace if worship of God is denied.

[Excerpt from address of the President before the governing board of the Pan American Union, April 15, 1940]

Universal and stable peace remains a dream. War, more horrible and destructive than ever, has laid its blighting hand on many parts of the earth. Peace among our American nations remains secure because of the instruments we have succeeded in creating. They embody, in great measure at least, the principles upon which, I believe, enduring peace must be based throughout the world.

Peace reigns today in the Western Hemisphere because our nations have liberated themselves from fear. No nation is truly at peace if it lives under the shadow of coercion or invasion. By the simple process of agreeing that each nation shall respect the integrity and independence of the others, the New World has freed itself of the greatest and simplest cause of war. Self-restraint and the acceptance of the equal rights of our neighbors as an act of effective will has given us the peace we have had, and will preserve that peace so long as we abide by this ultimate moral law.

[Excerpt from address of the President of the Young Democratic Clubs of America, April 20, 1940]

I am not speaking tonight of world affairs. Your Government is keeping a cool head and a steady hand. We are keeping out of the wars that are going on in Europe and in Asia, but I do not subscribe to the preachment of a Republican aspirant for the Presidency who

tells you, in effect, that the United States and the people of the United States should do nothing to try to bring about a better order, a more secure order, of world peace when the time comes.

[Excerpt from address of the President broadcast from White House, May 26, 1940]

Day and night I pray for the restoration of peace in this mad world of ours. It is not necessary that I, the President, ask the American people to pray in behalf of such a cause—I know you are praying with me.

I am certain that out of the hearts of every man, woman, and child in this land, in every waking minute, a supplication goes up to Almighty God; that all of us beg that suffering and starving, that death and destruction may end, and that peace may return to the world. In common affection for all mankind, your prayers join with mine that God will heal the wounds and the hearts of humanity.

[Excerpt from address delivered by the President at the graduation exercises of the University of Virginia, June 10, 1940]

I informed the Chief of the Italian Government that this desire on the part of Italy to prevent the war from spreading met with full sympathy and response on the part of the Government and the people of the United States, and I expressed the earnest hope of this Government and of this people that this policy on the part of Italy might be continued. I made it clear that in the opinion of the Government of the United States any extension of hostilities in the region of the Mediterranean might result in a still greater enlargement of the scene of the conflict, the conflict in the Near East and in Africa, and that if this came to pass no one could foretell how much greater the theater of the war eventually might become.

[Excerpt from the President's message to the Congress of the United States, July 10, 1940]

That we are opposed to war is known not only to every American, but to every government in the world. We will not use our arms in a war of aggression; we will not send our men to take part in European wars.

[Excerpt from President Roosevelt's address to the International Brotherhood of Teamsters, September 11, 1940]

Weakness in these days is a cordial invitation to attack. That is no longer theory; it is a proven fact—proved in the past year.

I hate war now more than ever. I have one supreme determination—to do all I can to keep war away from these shores for all time. I stand, with my party, upon the platform adopted in Chicago:

We will not participate in foreign wars, and we will not send our Army, naval, or air forces to fight in foreign lands outside of the Americas, except in case of attack.

[Excerpt from communication from President Roosevelt to Chancellor Hitler of Germany, August 24, 1939]

To the message which I sent to you last April I have received no reply, but because of my confident belief that the cause of world peace—which is the cause of humanity itself—rises above all other considerations, I am again addressing myself to you with the hope that the war which impends and the consequent disaster to all peoples everywhere may yet be averted.

I therefore urge with all earnestness—and I am likewise urging the President of the Republic of Poland—that the Governments of Germany and of Poland agree by common accord to refrain from any positive act of hostility for a reasonable and stipulated period, and that they agree likewise by common accord to solve the controversies which have arisen between them by one of the three following methods: First, by direct negotiation; second, by submission of these controversies to an impartial arbitration in which they can both have confidence; or, third, that they agree to the solution of these controversies through the procedure of conciliation, selecting as conciliator or moderator a national of one of the traditionally neutral states of Europe, or a national of one of the American republics which are all of them free from any connection with or participation in European political affairs.

[Excerpt from an address of the President of the United States delivered before a joint session of the two Houses of Congress, January 3, 1938]

I am thankful that I can tell you that our Nation is at peace. It has been kept at peace despite provocations which in other days, because of their seriousness, could well have engendered war. The people of the United States and the Government of the United States have shown capacity for restraint and a civilized approach to the purposes of peace, while at the same time we maintain the integrity inherent in the sovereignty of 130,000,000 people, lest we weaken or destroy our influence for peace and jeopardize the sovereignty itself.

It is our traditional policy to live at peace with other nations. More than that, we have been among the leaders in advocating the use of pacific methods of discussion and conciliation in international differences. We have striven for the reduction of military forces.

[Statement by the President for the press, April 19, 1938]

As this Government has on frequent occasions made it clear, the United States, in advocating the maintenance of international law and order, believes in the promotion of world peace through the friendly solution by peaceful negotiation between nations of controversies which may arise between them. It has also urged the promotion of peace through the finding of means for economic appeasement. It does not attempt to pass upon the political features of accords such as that recently reached between Great Britain and Italy, but this Government has seen the conclusion of an agreement with sympathetic interest because it is proof of the value of peaceful negotiations.

[Excerpt from a speech of the President, Treasure Island, San Francisco Bay, July 14, 1933]

We fervently hope for the day when the other leading nations of the world will realize that their present course must inevitably lead them to disaster. We stand ready to meet them and encourage them in any efforts they may make toward a definite reduction in world armament.

The year 1939 would go down in history not only as the year of the two great American World's Fairs, but would be a year of world-wide rejoicing if it could also mark definite steps toward permanent world peace. That is the hope and the prayer of the overwhelming number of men and women and children in all the earth today.

[Excerpt from an address of the President at Queen's University, Kingston, Ontario, Canada, August 18, 1938]

Happily, you and we, in friendship and in entire understanding, can look clear-eyed at these possibilities, resolving to leave no pathway unexplored and no technique undeveloped which may, if our hopes are realized, contribute to the peace of the world. Even if those hopes are disappointed, we can assure each other that this hemisphere at least shall remain a strong citadel wherein civilization can flourish unimpaired.

[Excerpt from a radio address of the President broadcast from the White House, October 26, 1938]

No one who lived through the grave hours of last month can doubt the longing of most of the peoples of the world for an enduring peace. Our business now is to utilize the desire for peace to build principles which are the only basis of permanent peace.

It is becoming increasingly clear that peace by fear has no higher or more enduring quality than peace by the sword.

There can be no peace if the reign of law is to be replaced by a recurrent sanctification of sheer force.

There can be no peace if national policy adopts as a deliberate instrument the threat of war.

There can be no peace if national policy adopts as a deliberate instrument the dispersion all over the world of millions of helpless and persecuted wanderers with no place to lay their heads.

There can be no peace if humble men and women are not free to think their own thoughts, to express their own feelings, to worship God.

There can be no peace if economic resources that ought to be devoted to social and economic reconstruction are to be delivered to an intensified competition in armaments which will merely heighten the suspicions and fears and threaten the economic prosperity of each and every nation.

At no time in modern history has the responsibility which rests upon governments been more obvious or more profound.

I speak for a United States which has no interest in war. We covet nothing save good relations with our neighbors, and we recognize that the world today has become our neighbor.

[Excerpt from a radio address of the President from Hyde Park, N. Y., in connection with the dedication exercises of the Will Rogers Memorial, Claremore, Okla., November 4, 1938]

And while we are developing that coolness of judgment, we need in public office, above all things, men wise enough to avoid passing incidents where passion and force try to substitute themselves for judgment and negotiation.

During my 4 years as Governor and during my nearly 6 years as President, I am proud of the fact that I have never called out the armed forces of the State or Nation except on errands of mercy.

[Excerpt from the address by President Roosevelt to the joint Congress, January 3, 1940]

Already the crash of swiftly moving events over the earth has made us all think with a longer view. Fortunately, that thinking cannot be controlled by partisanship. The time is long past when any political party or any particular group can curry and capture public favor by labeling itself the "peace party" or the "peace bloc." That label belongs to the whole United States and to every right-thinking man, woman, and child within it.

[Excerpts from address on Armistice Day, Arlington National Cemetery, November 11, 1935]

The primary purpose of the United States of America is to avoid being drawn into war. We seek also in every practicable way to promote peace and to discourage war. Except for those few who

have placed or who place temporary selfish gain ahead of national and world peace, the overwhelming mass of American citizens are in hearty accord with these basic policies of our Government, as they are also entirely sympathetic with the efforts of other nations to avoid and to end war.

* * * national ambitions that disturb the world's peace are thrust forward. * * *

* * * we must go forward with all our strength to stress and to strive for international peace.

* * * Our soldier and sailor dead call to us across the years to make our lives effective in building constructively for peace. * * *

* * * If we, as a Nation, by our good example, can contribute to the peaceful well-being of the fellowship of nations, our course through the years will not have been in vain.

We who survive have profited by the good example of our fellow Americans who gave their lives in war.

* * * The past and the present unite in the prayer that America will ever seek the ways of peace, and by her example at home and abroad, speed the return of good will among men. (Washington Star, November 11, 1935, p. A-3.)

[Excerpts from address to Brazilian Congress, Rio de Janeiro, November 27, 1936]

We [Brazil and the United States] have a record of which we can be proud—a record of joint endeavor in the cause of peace in this New World.

* * * Your first concern, like ours, is peace—for we know that war destroys, not only human lives and human happiness, but destroys as well the ideals of individual liberty and of the democratic form of representative government which is the goal of all the American republics.

* * * The motto of peace is, "Let the strong help the weak to survive."

* * * There is no American conflict—and I weigh my words when I say this—there is no American conflict that cannot be settled by orderly and practical means.

* * * The friendly nations of the Americas can render no greater service to civilization itself than by maintaining both domestic and international peace and by freeing themselves forever from conflict.

[Address of the President at Chautauqua, N. Y., August 14, 1936]

I have seen war. I have seen war on land and sea. I have seen blood running from the wounded. I have seen men coughing out their gassed lungs. I have seen the dead in the mud. I have seen cities destroyed. I have seen 200 limping, exhausted men coming out of line—the survivors of a regiment of 1,000 that went forward 48 hours before. I have seen children starving. I have seen the agony of mothers and wives. I hate war.

I have passed unnumbered hours, I shall pass unnumbered hours thinking and planning how war may be kept from this Nation.

I wish I could keep war from all nations; but that is beyond my power. I can at least make certain that no act of the United States helps to produce or to promote war. I can at least make clear that the conscience of America revolts against war and that any nation which provokes war forfeits the sympathy of the people of the United States.

[Excerpt from the address of the President of the United States before a joint session of Congress, September 21, 1939]

These perilous days demand cooperation between us without trace of partisanship. Our acts must be guided by one single hard-headed thought—keeping America out of this war.

[Letter to W. H. Oppenheimer, St. Paul War Memorial Dedication Committee, May 20, 1936]

* * * It is fitting that this memorial be dedicated to peace. The maintenance of peace is the cornerstone of our foreign policy. We seek no conquest. We have no imperial designs. And I am glad to reiterate here a declaration I have previously made that the people of America and the Government of those people intend and expect to remain at peace with all the world. The highest tribute we can pay to the courage and sacrifices of those in whose honor you have reared this war memorial is to continue to maintain a just and lasting peace. (St. Paul Dispatch, May 28, 1936.)

[Address at Texas Centennial, Dallas, Tex., June 12, 1936]

We seek to banish war in this hemisphere; we seek to extend those practices of good will and closer friendship upon which peace itself is based. (Washington Star, June 12, 1936, p. A-3.)

[Defense message to Congress, January 28, 1938]

The Congress knows that for many years this Government has sought, in many capitals, with the leaders of many governments, to find a way to limit and reduce armaments and to establish at least the probability of world peace.

* * * We, as a peaceful Nation, cannot and will not abandon active search for an agreement among the nations to limit armaments and end aggression.

* * * It is an ominous fact that at least one-fourth of the world's population is involved in merciless devastating conflict in

spite of the fact that most people in most countries, including those where conflict rages, wish to live at peace.

* * * Specifically and solely because of the piling up of additional land and sea armaments in other countries, in such manner as to involve a threat to world peace and security, I make the following recommendations to the Congress (detailed recommendations follow).

* * * It is our clear duty to further every effort toward peace, but at the same time to protect our Nation (White House release, Jan. 28, 1938, pp. 1-2).

[Radio address from the White House, October 12, 1937]

The kind of peace we want is the sound and permanent kind which is built on the cooperative search for peace by all the nations which want peace.

* * * We seek peace, not only for our generation but also for the generation of our children.

* * * In a world of mutual suspicions, peace must be affirmatively reached for. It cannot be just wished for. It cannot just be waited for.

Such cooperation—as may take place with reference to China in Nine Power Conference—would be an example of one of the possible paths to follow in our search for means toward peace throughout the whole world.

* * * The development of peace in the world is dependent * * * on the acceptance by nations of certain fundamental decencies in their relations with each other.

* * * America hopes for peace. Therefore America actively engages in the search for peace (White House release, Oct. 12, 1937, pp. 2, 6, 7).

STATEMENTS ON PEACE BY THE SECRETARY OF STATE

[Annual alumni luncheon, Yale University, June 23, 1937]

In our relations with other nations it is the task of the Government to insure durable peace—to make it possible for the individual to live a normal existence, uninterrupted and undistorted by the overriding exigencies of armed conflict.

The attaining of world peace and of improved and constantly developing economic relations among nations are the basic objectives of American foreign policy.

[Radio address in cooperation with Economic Policy Committee, February 6, 1938]

In the world of today international peace is of direct and vital concern to each one of us. Peace is no mere abstraction; it is the indispensable foundation of our political, economic, and social order, both nationally and internationally.

We shall never cease to exert whatever moral influence we possess in the councils of nations toward a universal acceptance of those basic principles of conduct among nations which are essential to a civilized international order under law—order under law, with economic security as its chief foundation, which is the surest path to enduring peace.

[Second Annual National Farm Institute, Des Moines, Iowa, February 19, 1938]

If we want peace and prosperity for our country, we must work for them with clear-sighted devotion, with vigorous enterprise, with vision and unselfish public spirit—with the pioneer hardihood, courage, and determination with which our people built this Nation. We should be governed, in our relations with other nations, by those fundamental principles of justice, morality, good will, and friendliness which, in civilized international relationships underlie order under law and with economic security as its chief foundation.

[Statement to the press, March 4, 1938]

The Department of State of the United States is sometimes called the Department of Peace. The problem of peace is of constant concern to the Department; preservation of peace is the cornerstone of the foreign policy of the United States.

* * * The good-neighbor policy is inherently reciprocal in nature. The Government of the United States endeavors to treat with scrupulous respect the rights of other countries and their nationals, and the Government expects similar consideration from other nations for the rights of our people.

The general attitude of the Department of State toward international relations has been summarized recently by the Secretary in a statement to the following effect: This country constantly and consistently advocates maintenance of peace. We advocate national and international self-restraint; we advocate abstinence by all nations from interference in the internal affairs of other nations. We advocate adjustment of problems in international relations by processes of peaceful negotiation and agreement. We advocate faithful observance of international agreements. We believe in modification of provisions of treaties, when need therefor arises, by orderly processes carried out in a spirit of mutual helpfulness and accommodation. We believe in respect by all nations for the rights of others and performance by all nations of established obligations. We stand for revitalizing and strengthening of international law. We believe in limitation and reduction of armament. We avoid entering into alliances or entangling commitments, but we believe in cooperative effort by peaceful and

practicable means. We advocate steps toward promotion of economic security and stability the world over; we advocate lowering or removing of excessive barriers in international trade; we seek effective equality of commercial opportunity, and we urge upon all nations application of the principle of equality of treatment.

The Government of the United States is endeavoring to keep alive, strengthen, and revitalize, in reference to all the world, these fundamental principles. The Department of State transmitted this statement of principles to all foreign governments and requested their comments. More than 50 governments placed themselves on record in support of these principles.

[Address at National Press Club, Washington, D. C., March 17, 1938]

The primary objectives of our foreign policy are the maintenance of the peace of our country and the promotion of the economic, the social, and the moral welfare of our people.

On July 16, 1937, I issued a public statement setting forth the fundamental principles to which our Government adheres in the formulation of its foreign policy. On behalf of our Government I transmitted a copy of this statement to every government of the world, requesting such comment as each might see fit to offer. To our profound gratification an overwhelming majority of those governments joined in affirming their faith in these vital principles.

* * * We want to live in a world which is at peace; * * *

To that end we will continue to give full and sincere adherence to the fundamental principles which underlie international order; we will continue to urge universal acceptance and observance of these principles; we will continue, wherever necessary and in every practicable and peaceful way, to cooperate with other nations which are actuated by the same desires and are pursuing the same objectives; we will persevere in appropriate efforts to safeguard our legitimate rights and interests in every part of the world; and we will, while scrupulously respecting the rights of others, insist on their respecting our rights.

[Radio address, August 16, 1938]

We want peace; we want security; we want progress and prosperity—for ourselves and for all nations. Our practical problem is that of finding and employing the best methods, of keeping our eyes and our feet upon the better way, of cooperating with other nations that are seeking as we are to proceed along that way.

[Annual Red Cross Convention, Washington, D. C., April 25, 1939]

The maintenance and improvement of the structure of peaceful international relationships, upon which the entire fabric of our present-day civilization rests, require a willing contribution from every nation.

We hope devoutly that a negotiated peace before rather than after the senseless arbitrament of war, a peace based on a mutually fair adjustment of outstanding problems, will be the happy lot of mankind in the future which lies immediately ahead. We are prepared to make our appropriate contribution to such a peace.

[Radio address, Foreign Trade Week, Washington, D. C., May 21, 1939]

The universal desire of all peoples, when they surmount their fears and apprehensions, is, I am convinced, to live at peace with their fellow men. By peace I mean the peace of understanding and not mere yielding to superior force.

This is the broad course for which we are working. It is the course which, in plain duty both to ourselves and to our position in the world, we are bound to follow.

[Chicago Sunday Evening Club, Chicago, Ill., May 28, 1939]

No country can insure peace for itself by merely proclaiming its desire for peace, when there are in the world nations willing to challenge and fight other nations to gain by force what they covet. When such is the case, peace can be assured only at the price of abject surrender to the challenger.

It is not through a policy of isolation, but rather through supplementing our domestic efforts by playing our appropriate role as a member of the family of nations, that we can hope to solve the problems which confront us today within our own frontiers.

[On Peace and Neutrality, July 14, 1939]

The cornerstone of the foreign policy of the United States is the preservation of the peace and security of our Nation, the strengthening of international law, and the revitalization of international good faith. The foreign policy of this Government may be misinterpreted or it may be misunderstood, but it cannot be destroyed. Peace is so precious and war so devastating that the people of the United States and their Government must not fail to make their just and legitimate contribution to the preservation of peace.

[Twenty-sixth National Foreign Trade Convention, New York City, October 10, 1939]

I, for one, hold fast to the conviction that, however much suffering and destruction may lie ahead in the immediate future, there is, in all nations, sufficient strength of will and sufficient clarity of vision to enable mankind to profit by the costly lessons of the past and to build upon a sounder foundation than heretofore.

There is much that our country can do toward that end. We must retain unimpaired our firm belief that only through enduring peace, based on international law and morality, and founded upon sound international economic relations, can the human race continue to advance. We must cooperate to the greatest possible extent with our sister republics of the Americas and with all other nations to keep this conviction alive and to maintain the basic principles of international good faith, world order under law, and constructive economic effort.

In the economic field, the guiding lines of the policies which we would pursue are clear. Nothing that has happened has weakened in any way the validity of the basic ideas which have underlain our commercial policy in recent years. The type of international economic relations which we have sought to establish through our reciprocal-trade agreements has been amply proven by experience to be the only effective means of enabling the process of international trade to perform fully its function as a powerful instrument for the promotion of economic welfare and for the strengthening of the foundations of enduring peace.

[August 6, 1940]

I would greatly prefer to say that we are safe in this country and in this hemisphere from outside danger. But I am firmly convinced that what is taking place today in many areas of the earth is a relentless attempt to transform the civilized world as we have known it into a world in which lawlessness, violence, and force will reign supreme, as they did a thousand years ago. * * *

The one and only sure way for our Nation to avoid being drawn into serious trouble or actual war by the wild and destructive forces now abroad elsewhere in the world and to command respect for its rights and interests abroad is for our people to become thoroughly conscious of the possibilities of danger, to make up their minds that we must continue to arm, and to arm to such an extent that the forces of conquest and ruin will not dare make an attack on us or on any part of this hemisphere. To this end each citizen must be ready and willing for real sacrifice of time and of substance and for hard personal service. In the face of terrific problems and conditions, and until the present serious threats and dangers have disappeared, we cannot pursue complacently the course of our customary normal life.

ALICE GERTRUDE COLLINS

Mr. BARKLEY. Mr. President, if the Senator from Kansas will yield, the Senator from South Carolina [Mr. BYRNES] has asked that I bring before the Senate in his behalf a resolution to pay the widow of William J. Collins, long superintendent of the Press Gallery, a year's salary. On behalf of the Senator from South Carolina, I report without amendment Senate Resolution 305 from the Committee to Audit and Control the Contingent Expenses of the Senate, and ask for its present consideration.

There being no objection, the resolution (S. Res. 305), submitted by Mr. GLASS on August 29, 1940, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Alice Gertrude Collins, widow of William J. Collins, late superintendent of the Senate Press Gallery, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ORDER OF BUSINESS

Mr. REED. Mr. President, I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, will not the Senator withhold that suggestion? I do not want to have him call for a quorum at this hour. The Senator from Tennessee desires to make a brief statement.

Mr. McKELLAR. Mr. President, I understand the Senator from Kansas is about to make a point of no quorum in order to prevent consideration of the amendments of the House of Representatives to Senate bill 1681 this afternoon. He has a right to do that, a legal right. I think it is a very improper use of the right, but still he has it. But I wish to give notice that at the first opportunity when I can get recognition from the Chair on Monday I shall ask that the House amendments be laid before the Senate for consideration regardless of any other matter.

Mr. REED. Mr. President, I wish to say, very briefly, in response to the Senator from Tennessee, that I made that very suggestion to the Senator from Tennessee several times this afternoon, and he was unwilling—

LXXXVI—782

Mr. McKELLAR. The Senator has made several suggestions to the Senator from Tennessee this afternoon, all of which have been refused. [Laughter.]

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair), as in executive session, laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS UNTIL MONDAY

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 16 minutes p. m.) the Senate took a recess until Monday, September 23, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate September 20 (legislative day of September 18), 1940

CALIFORNIA DEBRIS COMMISSION

Maj. Henry C. Wolfe, Corps of Engineers, United States Army, for appointment as a member of the California Debris Commission provided for by the act of Congress approved March 1, 1893, entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California," vice Col. L. B. Chambers, Corps of Engineers, relieved.

UNITED STATES ATTORNEYS

Tobias E. Diamond, of Iowa, to be United States attorney for the Northern District of Iowa, vice Edward G. Dunn, whose term has expired.

Maurice M. Milligan, of Missouri, to be United States attorney for the Western District of Missouri, to fill an existing vacancy.

Daniel E. McGrath, of Texas, to be district attorney for the Canal Zone, vice Joseph J. McGuigan, retired.

UNITED STATES MARSHALS

Edward Millard Bryan, of Idaho, to be United States marshal for the district of Idaho, vice George A. Meffan, deceased.

Frederick Elliott Biermann, of Iowa, to be United States marshal for the Northern District of Iowa, vice John B. Keefe, term expired.

COAST GUARD OF THE UNITED STATES

The following-named officers in the Coast Guard of the United States, to rank as such from October 1, 1940:

Boatswain Adriaan De Zeeuw to be a chief boatswain.

Gunner Ernest A. Ninness to be a chief gunner.

Machinist Jason Thorpe to be a chief machinist.

PROMOTIONS IN THE REGULAR ARMY

TO BE LIEUTENANT COLONELS WITH RANK FROM OCTOBER 9, 1940

Maj. John Aubrey Wheeler, Ordnance Department.

Maj. Earl Spiker Schofield, Air Corps (temporary lieutenant colonel, Air Corps).

Maj. Arthur Walter Stanley, Quartermaster Corps.

Maj. Arthur Emel Simonin, Air Corps (temporary lieutenant colonel, Air Corps).

Maj. Graves Barney McGary, Quartermaster Corps.

Maj. Frank O'Driscoll Hunter, Air Corps (temporary lieutenant colonel, Air Corps).

Maj. Arthur William Parker, Quartermaster Corps.

Maj. David Sidney Seaton, Air Corps (temporary lieutenant colonel, Air Corps).

Maj. Schenk Henry Griffin, Corps of Engineers.

Maj. Harold Huston George, Air Corps (temporary lieutenant colonel, Air Corps).

Maj. Alden Harry Waitt, Chemical Warfare Service.

Maj. Richard Landrum Smith, Corps of Engineers.

Maj. Harold Arthur Barnes, Quartermaster Corps.

Maj. Joseph Laurence Aman, Ordnance Department.
 Maj. Walter Jay Reed, Air Corps (temporary lieutenant colonel, Air Corps).
 Maj. St. Clair Streett, Air Corps (temporary lieutenant colonel, Air Corps).
 Maj. Randal Trevor Adams, Field Artillery.
 Maj. John Van Ness Ingram, Quartermaster Corps.
 Maj. James Stevenson Crawford, Ordnance Department.
 Maj. Andrew Jackson Nichols, Infantry.
 Maj. Archie Donald Cameron, Infantry.

TO BE LIEUTENANT COLONELS WITH RANK FROM OCTOBER 16, 1940

Maj. Stewart Hancock Elliott, Ordnance Department.
 Maj. John Conrad Christophel, Quartermaster Corps, subject to examination required by law.
 Maj. Edward Peter Doyle, Quartermaster Corps.
 Maj. Robert Lake Miller, Quartermaster Corps.
 Maj. Charles William Dietz, Quartermaster Corps.
 Maj. Roy Marsh McCutchen, Corps of Engineers.
 Maj. Aubrey Hoodenpyl Bond, Corps of Engineers.
 Maj. Hubert Walter Collins, Corps of Engineers.
 Maj. Robert Dorrance Ingalls, Corps of Engineers.
 Maj. Walter Lyman Medding, Corps of Engineers.
 Maj. Albert Carl Lieber, Jr., Corps of Engineers.
 Maj. George Jacob Nold, Corps of Engineers.

TO BE LIEUTENANT COLONELS WITH RANK FROM OCTOBER 24, 1940

Maj. Samuel Howes Baker, Quartermaster Corps.
 Maj. John Isham Moore, Air Corps (temporary lieutenant colonel, Air Corps).
 Maj. Lloyd Milton Garner, Quartermaster Corps.
 Maj. Harris Markham Findlay, Field Artillery.
 Maj. Russell Crayden Winchester, Cavalry.
 Maj. George Hunter Passmore, Infantry.
 Maj. James Stevenson Rodwell, Cavalry.
 Maj. George Orenthus Allen Daughtry, Infantry.
 Maj. Kirk Broadus, Cavalry.
 Maj. Newton Gale Bush, Infantry.
 Maj. Paolo Hoffoss Sperati, Infantry.
 Maj. LeRoy Welling Nichols, Infantry.
 Maj. Charles Martin Chamberlain, Jr., Infantry.
 Maj. LeRoy Allen Whittaker, Coast Artillery Corps.
 Maj. Harry Barnes Sepulveda, Adjutant General's Department.

TO BE LIEUTENANT COLONELS WITH RANK FROM OCTOBER 25, 1940

Maj. John Robert Hubbard, Quartermaster Corps.
 Maj. Oliver Stevenson Ferson, Air Corps (temporary lieutenant colonel, Air Corps).
 Maj. Robert Gale Breene, Air Corps (temporary lieutenant colonel, Air Corps).
 Maj. George Abe Woody, Ordnance Department.
 Maj. Thomas Kenneth Vincent, Ordnance Department.
 Maj. Samuel Littler Metcalfe, Infantry.
 Maj. Geoffrey Maurice O'Connell, Coast Artillery Corps, subject to examination required by law.
 Maj. Frank Wilbur Halsey, Infantry.
 Maj. Kirby Green, Infantry.
 Maj. Myron Joseph Conway, Infantry.
 Maj. Hollis Benjamin Hoyt, Infantry.
 Maj. Arthur Foster Gilmore, Quartermaster Corps.
 Maj. John August Otto, Infantry.
 Maj. Joseph Burton Sweet, Infantry.
 Maj. William Quintillus Jeffords, Jr., Coast Artillery Corps.
 Maj. Garland Cuzorte Black, Signal Corps.
 Maj. George Anthony Patrick, Coast Artillery Corps.
 Maj. Joseph Andral Nichols, Infantry.
 Maj. Leon Lightner Kotzebue, Infantry.
 Maj. Walter Christian Thee, Quartermaster Corps.
 Maj. Thomas Reed Holmes, Infantry.
 Maj. Nicholas Dodge Woodward, Infantry.
 Maj. Edgar William King, Coast Artillery Corps.
 Maj. Riley Edward McGarraugh, Coast Artillery Corps.
 Maj. Egbert Frank Bullene, Chemical Warfare Service.
 Maj. Mark Gerald Brislawn, Infantry.
 Maj. Carleton Burgess, Cavalry.

TO BE LIEUTENANT COLONELS WITH RANK FROM OCTOBER 26, 1940

Maj. John Edward Brown, Ordnance Department.
 Maj. Arthur Eugene Fox, Field Artillery, subject to examination required by law.
 Maj. Carleton Smith, Infantry.
 Maj. Paul Conover Gripper, Signal Corps.
 Maj. LeCount Haynes Slocum, Field Artillery.
 Maj. Herbert Towle Perrin, Infantry.
 Maj. Edwin Fry Barry, Ordnance Department.
 Maj. Frederick Harry Black, Field Artillery.
 Maj. Josef Robert Sheetz, Field Artillery.
 Maj. Charles Paul Cullen, Infantry.
 Maj. Frederic Arthur Metcalf, Field Artillery.
 Maj. Harry Emerson Storms, Signal Corps.
 Maj. David Dean Barrett, Infantry, subject to examination required by law.
 Maj. Lawrence James Meyns, Ordnance Department.
 Maj. Thomas Harry Ramsey, Quartermaster Corps.
 Maj. Archibald Luther Parmelee, Coast Artillery Corps.
 Maj. Walter Byron Fariss, Infantry.
 Maj. John Patrick Crehan, Field Artillery.
 Maj. Donald Sutter McConaughy, Quartermaster Corps.
 Maj. Richard Brownley Gayle, Infantry.
 Maj. Robert Tappan Chaplin, Coast Artillery Corps.
 Maj. Raymond Edwin Vermette, Infantry.
 Maj. Abraham Robert Ginsburgh, Judge Advocate General's Department.
 Maj. Elijah Garrett Arnold, Infantry.
 Maj. Benjamin Witwer Pelton, Quartermaster Corps.
 Maj. Farlow Burt, Infantry.
 Maj. James Henry Howe, Infantry.
 Maj. Robert Artel Case, Infantry.
 Maj. John Russell Deane, Infantry.
 Maj. Richard Zeigler Crane, Ordnance Department.
 Maj. Paul Carson Febiger, Cavalry, subject to examination required by law.
 Maj. Leslie Walter Jefferson, Coast Artillery Corps.
 Maj. John Reigel Embich, Chemical Warfare Service.
 Maj. Fred William Koester, Cavalry.
 Maj. William Neely Todd, Jr., Cavalry.
 Maj. Thomas Reed Taber, Ordnance Department.
 Maj. Harry William Lins, Coast Artillery Corps.
 Maj. Harold Paul Stewart, Cavalry.
 Maj. Darrow Menoher, Cavalry.
 Maj. Mark Andrew Devine, Jr., Cavalry.
 Maj. Robb Steere MacKie, Infantry.
 Maj. Boniface Campbell, Field Artillery.
 Maj. Lloyd Marlowe Hanna, Field Artillery.
 Maj. James Willard Walters, Ordnance Department.
 Maj. Richard Cox Coupland, Ordnance Department.
 Maj. Walter Alfred Elliott, Infantry.
 Maj. George William Brent, Coast Artillery Corps.
 Maj. Samuel Francis Cohn, Infantry.
 Maj. John Augustus Rodgers, Infantry.
 Maj. Ward Edwin Becker, Ordnance Department.
 Maj. William Wayne Murphey, Field Artillery.
 Maj. Timoteo Alfonso Sapia-Bosch, Infantry.
 Maj. Edward Garrett Cowen, Coast Artillery Corps.
 Maj. Kenyon Putnam Flagg, Coast Artillery Corps.
 Maj. Joseph Burske Hafer, Coast Artillery Corps.
 Maj. Edward Lucien Supple, Coast Artillery Corps.
 Maj. Samuel McCullough, Coast Artillery Corps.
 Maj. Bernard Clark Dailey, Coast Artillery Corps.
 Maj. Eduardo Andino, Infantry.
 Maj. Robert Elwyn DeMerritt, Coast Artillery Corps.
 Maj. James Franklin Powell, Air Corps (temporary lieutenant colonel, Air Corps).
 Maj. William Dalton Hohenthal, Coast Artillery Corps, subject to examination required by law.
 Maj. James Ralph Lowder, Coast Artillery Corps.
 Maj. Willard Warren Scott, Coast Artillery Corps.
 Maj. Leonard Louis Davis, Coast Artillery Corps.
 Maj. Webster Fletcher Putnam, Jr., Coast Artillery Corps.
 Maj. Merle Halsey Davis, Ordnance Department.
 Maj. Henry Devries Cassard, Coast Artillery Corps.

TO BE LIEUTENANT COLONELS WITH RANK FROM OCTOBER 31, 1940

Maj. Will Rainwater White, Quartermaster Corps.
Maj. George Albert Bentley, Quartermaster Corps.
Maj. Edward Hanson Connor, Jr., Infantry.

TO BE MAJOR WITH RANK FROM OCTOBER 24, 1940

Capt. Ernest Tuttle Owen, Field Artillery.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO FINANCE DEPARTMENT

Maj. William Bobbs Miller, Infantry, with rank from July 1, 1940.

Capt. Walter Edwin Ahearn, Infantry, with rank from June 12, 1940.

TO SIGNAL CORPS

First Lt. Roscoe Constantine Huggins, Infantry, with rank from August 1, 1935.

SENATE

MONDAY, SEPTEMBER 23, 1940

(Legislative day of Wednesday, September 18, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O Thou whose eternal calm lies round about our great unrest, whose presence stills the confusion of our thought: Inspire us, we beseech Thee, day by day with that fine loyalty of soul to which visions are vouchsafed, that at the crossroads of our life the path of duty may be clear. Breathe upon us with Thy quickening breath in our moments of reflection, and in the hours of action guide us by Thy powerful hand, as we thank Thee for the toil that wearies us and the arbors of rest that leave us renewed.

O Man of Galilee, who knowest all our frailties and forgive even our denials of Thyself, look upon us with Thine eyes of love, the love that sends us out into the silences to weep and lament and long for restoration and then, by its wondrous power, transmutes failure into success, sin into grace, and sadness into song. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Friday, September 20, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Downey	Johnson, Colo.	Schwartz
Andrews	Ellender	Kling	Schwellenbach
Ashurst	Frazier	Lodge	Sheppard
Austin	George	McKellar	Shipstead
Bailey	Gerry	McNary	Smith
Barkley	Gibson	Maloney	Stewart
Bilbo	Gillette	Mead	Taft
Bridges	Glass	Miller	Thomas, Idaho
Bulow	Green	Minton	Thomas, Okla.
Burke	Guffey	Murray	Thomas, Utah
Byrd	Gurney	Neely	Townsend
Byrnes	Hale	Norris	Tydings
Capper	Harrison	Nye	Vandenberg
Caraway	Hatch	O'Mahoney	Van Nuys
Chavez	Hayden	Overton	Wagner
Clark, Idaho	Herring	Pepper	Wheeler
Clark, Mo.	Hill	Pittman	White
Connally	Holt	Radcliffe	Wiley
Danaher	Hughes	Reed	
Davis	Johnson, Calif.	Russell	

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] is absent because of illness.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Michigan [Mr. BROWN], the Senator from Kentucky [Mr. CHANDLER], the Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. LEE], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Illinois [Mr. SLATTERY], the Senator from New Jersey [Mr. SMATHERS], the Senator from Missouri [Mr. TRUMAN], and the Senator from Massachusetts [Mr. WALSH] are necessarily absent.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Oregon [Mr. HOLMAN], and the Senator from New Jersey [Mr. BARBOUR] are necessarily absent.

The PRESIDENT pro tempore. Seventy-eight Senators have answered to their names. A quorum is present.

DR. B. L. PURSIFULL AND OTHERS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 658) for the relief of the estate of Dr. B. L. Pursifull, Grace Pursifull, Eugene Pursifull, Ralph Pursifull, Bobby Pursifull, and Dora Little, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BURKE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ELLENDER, Mr. BROWN, and Mr. TOWNSEND conferees on the part of the Senate.

MRS. CLYDE THATCHER AND MINOR CHILDREN

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 1238) for the relief of Mrs. Clyde Thatcher and her two minor children, Marjorie Thatcher and Bobby Thatcher, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BURKE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ELLENDER, Mr. BROWN, and Mr. TOWNSEND conferees on the part of the Senate.

MRS. GEORGE C. HAMILTON AND NANETTE ANDERSON

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 4561) for the relief of Mrs. George C. Hamilton and Nanette Anderson, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BURKE. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ELLENDER, Mr. BROWN, and Mr. TOWNSEND conferees on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate the petition of Father Divine and sundry other citizens of the United States, praying that the Americas be united for peace, and also praying for the enactment of pending legislation to prevent and punish the crime of lynching, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 4232) for the relief of the Eastern Cherokees, reported it with an amendment and submitted a report (No. 2147) thereon.